

# CATAPULT LOGISTICS LLC

**MC 984079 USDOT 2918961 EIN 81-3543707**

## OWNER OPERATOR & EQUIPMENT LEASE AGREEMENT PLUS COMPANY POLICY

This Agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

By: Owner: \_\_\_\_\_ and

Operator/ Driver: \_\_\_\_\_

herein after known as and referred to as "**EQUIPMENT OWNER**" and "**EQUIPMENT OPERATOR**" and **CATAPULT LOGISTICS LLC , DOT # 2918961**, herein after known as and referred to as "**MOTOR CARRIER**".

Whereas **MOTOR CARRIER** is a common carrier and is engaged in transporting commodities, merchandise, and property requiring similar specialized equipment and handling for hire throughout the United States using Motor vehicles owned and operated by others; and Whereas, **EQUIPMENT OWNER** is the **OWNER** of certain motor vehicle equipment but doesn't desire to operate the said equipment, and the **EQUIPMENT OPERATOR** is a driver who holds A commercial driver License issued by any state in the USA who agrees to partner with the **EQUIPMENT OWNER** as an independent contractor who desires to operate the said Equipment for the purpose of creating a profit. And whereas, it is the desire of the parties to this agreement that the **EQUIPMENT OWNER** and the **EQUIPMENT OPERATOR** to lease the truck equipment to the **MOTOR CARRIER**.

Now, therefore, the **EQUIPMENT OWNER** and **EQUIPMENT OPERATOR** as independent contractors, both agree to lease said motor vehicle equipment to the **MOTOR CARRIER**, and the **MOTOR CARRIER** hereby acknowledges the leasing of said equipment. In consideration of the promises and covenants herein contained, the parties do agree.

### IT IS MUTUALLY AGREED THAT:

#### 1. RIGHT OF OWNERSHIP:

**EQUIPMENT OWNER** represents to **MOTOR CARRIER** that he holds full legal title or that he / she has the legal right to exercise full control over the equipment covered by this Agreement. **EQUIPMENT OWNER** agrees to furnish **MOTOR CARRIER** all necessary information and documents of title or registration to enable **MOTOR CARRIER** to properly identify said equipment.

#### 2. EXCLUSIVE USE:

Possession and use of the equipment involved is, for the period of the Agreement, entirely vested in **MOTOR CARRIER**, in such a way as to be good against all the word, including **EQUIPMENT OWNER** and **EQUIPMENT OPERATOR**.

### 3. SAFE AND COMPLETE EQUIPMENT:

EQUIPMENT OWNER and the EQUIPMENT OPERATOR warrants that the equipment covered by this Agreement is complete with all required accessories, and is in good, safe and efficient operating condition and shall be so maintained at no expense to MOTOR CARRIER throughout the duration of this Agreement. The choice of location and persons to perform any necessary repairs or maintenance is exclusively vested in EQUIPMENT OWNER and the EQUIPMENT OPERATOR.

### 4. PACKING AND SECURING FREIGHT

EQUIPMENT OPERATOR agrees to secure all items to be transported as is necessary for either the safe transportation of the item(s) or as is required by MOTOR CARRIER, customers or US Department of Transportation. The EQUIPMENT OPERATOR at his/her own expense must have two load locks and two load straps.

### 5. COMPLIANCE WITH APPLICABLE LAW(S):

The parties hereto understand and agree that MOTOR CARRIER is subject to rules and regulations enacted by the federal and state governments of the United States of America; that there are certain rules and regulations related to the commercial Transportation. That is the intent of the parties that MOTOR CARRIER, The EQUIPMENT OWNER and the EQUIPMENT OPERATOR shall fully comply with all such applicable rules and regulations and the EQUIPMENT OWNER and the EQUIPMENT OPERATOR do not have the right to and will not control the manner nor prescribe the method of doing that portion of the operations which are contracted for this Agreement, except such control as is reasonably construed to be required by said rules and regulations.

Some of the applicable laws include but not limited to:

#### A. HOURS OF SERVICE

**The EQUIPMENT OPERATOR is required to adhere to the US DOT rules and regulations on hours of service strictly.**

As of December 18, 2017, we have switched to E-logs / ELD and all HOS records of duty shall be recorded using the Keeptruckin Elog App which must be used together with the company issued ELD devices.

**No settlement shall be made unless all logs are up to the date** The Safety Department shall conduct a log audit regularly to ensure compliance.

#### LOG BOOK FALSIFICATION

The EQUIPMENT OPERATOR is considered falsifying logs if the information in his / her logbook does not match with the information on the following documents / situations:

- Toll receipts
- Food receipts
- Bill of Lading
- Repair Receipts
- Police Reports
- Fuel Card Transactions Records
- Load Confirmation

- Weight scale scanners
- Cell phone call records
- Anything showing Date and Time
- If time spent to cover distance from point A to point B is not realistic

The MOTOR CARRIER shall not condone any form of **log book falsification**. A **\$300.00 fine** and further disciplinary action shall apply to any EQUIPMENT OPERATOR caught falsifying logs. The EQUIPMENT OPERATOR agrees to adhere to Hours of service Rules and Regulations strictly.

***B. EQUIPMENT REPAIR AND MAINTAINANCE:***

All first time equipment leased to the company shall be inspected by the company Safety Inspector and be able to pass a DOT level inspection prior to being accepted. The DOT Annual Inspection must be current. Safety department must test drive the equipment to make sure it's worth being leased to our company.

The EQUIPMENT OPERATOR must take the lead to make sure that the equipment is always in a safe operating condition throughout the period of this lease contract by conducting daily pre-trip, en-route and post-trip inspections on the equipment and promptly repair any discovered violations/ deficiencies before next trip. Moreover the MOTOR CARRIER through its Safety Department shall always inspect the equipment's to make sure that the EQUIPMENT OPERATOR is always keeping his / her equipment's in safe operating condition throughout the leasing period based on the US Department of Transportation Guidelines.

*Keeping the equipment's safe shall involve:*

## — Pre-trip, En-route and Post-trip Inspections.

EQUIPMENT OWNER / Driver must conduct pre-trip, En-route and post—trip inspections on the tractor and trailer every day. Any defects found must be promptly repaired. Negative results during DOT roadside inspections and violations discovered during MOTOR CARRIER regular inspection, may imply that the driver does not conduct pre-trip, en-route and post-trip inspections on his / her equipment. The EQUIPMENT OPERATOR's failure to conduct pre-trip, En-route and post-trip inspections on his / her equipment according to the law are grounds for termination of this contract.

## — MOTOR CARRIER Safety Department Scheduled Equipment Inspections.

The MOTOR CARRIER Safety department shall inspect the truck / trailer equipment both regularly and randomly to ensure compliance. The MOTOR CARRIER may also at its own discretion send the EQUIPMENT OPERATOR to get his equipment's inspected at a certified truck repair shop of the MOTOR CARRIER's choosing. Any violations discovered must be fixed before the equipment is allowed to leave the MOTOR CARRIER's terminal / Repair shop.

## — Preventative Maintenance Services

The truck and trailer must on a monthly basis be preventatively maintained through a certified truck repair shop. A PM service on a tractor alone, without a trailer shall not be recognized. Receipts must be faxed/ mailed/ emailed to the MOTOR CARRIER's Safety Department promptly. This service shall be performed alongside with the regular Inspections at the MOTOR CARRIER's terminal.

***C. DOT/POLICE RANDOM ROADSIDE INSPECTIONS.***

1. The EQUIPMENT OPERATOR must call to report and then Fax, email or text DOT/Police roadside inspection reports to the MOTOR CARRIER's Safety Department or the driver's dispatcher within one hour after completion of a DOT/police roadside inspection. Failure to do so shall result into the MOTOR CARRIER **fining the EQUIPMENT OPERATOR a \$300.00 per report**. Exceptions shall be made for drivers located in remote areas as long as the SAFET DEPT is notified of the inability to transmit those reports.
2. All the recommendations made by the DOT/POLICE officer must be complied to absolutely and strictly and evidence of compliance faxed or emailed to the MOTOR CARRIER safety department immediately within 24 hours.
3. The EQUIPMENT OPERATOR SHALL NOT be dispatched until the DOT / POLICE reports are complied with.
4. Any EQUIPMENT OPERATOR who does not comply with any DOT/POLICE OUT OF SERVICE ORDER **shall be immediately terminated and assessed a 1000.00 fine**.
5. Any DOT/POLICE OUT OF SERVICE ORDER qualifies the EQUIPMENT OPERATOR for an automatic 24 HOUR Suspension right where it occurred.
6. Each negative DOT/Police report shall qualify the EQUIPMENT OPERATOR for training and recertification before being allowed to head back to work within a period of one month.
7. Excessive DOT/Police violations shall result into the MOTOR CARRIER terminating the EQUIPMENT OPERATOR's contract.

without any violations, the EQUIPMENT OPERATOR shall qualify for a reward determined by the MOTOR CARRIER.

- 9. Any DOT/Police log book violations shall qualify the EQUIPMENT OPERATOR **for a \$300.00 fine per report.**
- 10. Any EQUIPMENT OPERATOR whose truck/trailer is caught with violations during DOT/Police road side inspection that are self-evident/or which shows that the driver does not conduct pre trip, En-route and Post trip inspections on his/her truck/trailer **shall be fined \$300.00 per report** plus further disciplinary action as it may seem fit to the MOTOR CARRIER’s Safety Department
- 11. The EQUIPMENT OPERATOR’s Failure to have required documents or having an expired document upon request by a DOT/Police officer or any moving violations shall result in the EQUIPMENT OPERATOR getting **fined \$300.00 per stop.**
- 12. Only one form of fines shall apply in case of multiple violations for infractions involving equipment, log book, document, or moving violations

***D. RIDERS***

In case of accidents or any claims, the EQUIPMENT OWNER and the EQUIPMENT OPERATOR agrees that he/she shall be independently liable for any other people who may be in that Motor Vehicle equipment.

The MOTOR CARRIER does not allow riders in the truck. Any EQUIPMENT OPERATOR who lets a rider to drive his/her truck shall be **immediately terminated with \$1,000.00 fine.**

***E. ZERO TOLERANCE ON USE OF COMMUNICATION DEVICES ON BOARD***

CATAPULT LOGISTICS prohibits drivers from using any kind of communication device while operating a motor vehicle unless they are using a handsfree device such as Bluetooth or a wireless headset. Any time CATAPULT LOGISTICS staff or customers calls/communicates with the driver or a driver calls/communicates with CATAPULT LOGISTICS staff and customers, CATAPULT LOGISTICS and its customers are under the impression that the motor vehicle is stopped at a safe place or the driver is using a handsfree device such as a Bluetooth, wireless headset. The driver does not have any obligation whatsoever to pick up any phone calls or answer to any form communication from CATAPULT LOGISTICS LLC staff or customers while operating the motor vehicle. The driver is also not obligated under any circumstance to make phone calls or communicate through any means to CATAPULT LOGISTICS staff and customers whatsoever while operating any motor vehicle.

***F. DRUGS AND ALCOHOL***

**The MOTOR CARRIER has a zero tolerance policy on drugs and alcohol.**

The MOTOR CARRIER conducts a monthly drugs/alcohol random testing. Any driver may get randomly selected by the consortium.

The MOTOR CARRIER’s office personnel are trained on how to reasonably detect drunk drivers or drivers under the influence of drugs. If any driver gets suspected he/she shall be required to immediately test for alcohol or a controlled substance. Failure to comply shall lead to immediate termination and reporting the driver’s refusal to the appropriate authorities

If any driver tests positive in the random/reasonable suspicion on drugs or alcohol he/she shall be terminated immediately and reported to the appropriate authorities.

**G. ACCIDENTS / INCIDENTS**

— The driver must exercise all the safety precautions to avoid accidents. The MOTOR CARRIER believes that all accidents are preventable. During Quarterly Safety Evaluation and Training, every driver must demonstrate proficiency in accident prevention/safe driving habits before being allowed to go to work.

— In case of any kind of accident the driver is required to follow the US Department of Transportation prescribed accident procedures. A drug test (if required) must be conducted as soon as possible and at a place where the MOTOR CARRIER’s Safety Department directs. Failure to follow accident procedures shall lead to immediate termination.

— For any kind of accident /Incident at fault or not a **\$2,000.00 fine shall be deducted** from the EQUIPMENT OPERATOR’s first check after the accident/incident. This money is a fine to the EQUIPMENT OWNER and the EQUIPMENT OPERATOR for the loss that the MOTOR CARRIER suffers in terms of high insurance premiums and the consequences of negative safety ratings due to accidents.

This money shall also be used to cover any public liability deductibles that may arise as a result of the accident and processing fees.

If the MOTOR CARRIER’s Safety Department later determines that the driver was not at fault and none of the MOTOR CARRIER’s property is damaged then **\$1,000.00 shall be refunded**.

— If the MOTOR CARRIER trailer equipment is involved then the MOTOR CARRIER shall also charge the EQUIPMENT OWNER and the EQUIPMENT OPERATOR trailer Physical damage insurance deductible plus any amount the MOTOR CARRIER may spend to get the said trailer from impound and bring it back to the MOTOR CARRIER’s yard or assign it to another EQUIPMENT OWNER/driver.

— All incidents however small must also be reported immediately as they occur. The incident report must be filled at the place of occurrence and have the other person fill and sign his/her part.

— Failure to report an incident immediately shall lead to immediate termination.

— Further actions taken as a result of accidents/incidents shall be determined by the MOTOR CARRIER’s Safety Department.

— For the purpose of fines, Accidents and incidents are treated the same way.

#### ***H. SHORTAGES AND DAMAGES TO CARGO***

1. All loads must be secured by two load locks and two load straps at the EQUIPMENT OWNER's/EQUIPMENT OPERATOR's expense.
2. Never should any driver cut the seal unless authorized to do so by the receiving clerk. The driver must write the name of the person who authorized him to break the seal prior to opening the doors.
3. In case there are any shortages, damages or overages the EQUIPMENT OPERATOR must call his/her dispatcher immediately. Driver should never leave the dock until the matter is resolved absolutely. The dispatcher may require the driver to call the customer regarding the issue. The driver must make sure the dispatcher has a signed shortages and damages report sent from the customer/broker before the driver leaves the dock.
4. The driver must take pictures and email them to safety@myCATAPULT.com immediately.
5. The receiving clerk must write on the bill of lading that "it is not the driver's fault" if the damage or shortage occurred because of reasons beyond the driver's control.
6. The MOTOR CARRIER **shall deduct \$1000.00 from the driver** for any loads that have or are likely to have either claim or short pay from the customer as a deductible.

#### ***I. QUARTERLY SAFETY EVALUATION AND SAFETY REFRESHER TRAINING***

After every quarter every driver shall be required to complete a quarterly Safety Refresher training.

The EQUIPMENT OPERATOR must demonstrate proficiency in the following areas before being allowed to go to work:

- Hours of Service Rules and Regulations
- Proper Equipment Inspections
- Proper Equipment Maintenance and repairs
- Accident prevention and safe driving habits
- Controlled substances and alcohol consequences
- Avoiding distracted driving and staying Alert
- Safe driving in hazardous conditions
- Permits

More over the MOTOR CARRIER Safety Department shall evaluate the EQUIPMENT OPERATOR's safety record quarterly. Negative evaluation shall result into disciplinary actions as it may seem fit to MOTOR CARRIER's safety Department. The Areas of EQUIPMENT OPERATOR's Safety Evaluation shall involve:

- EQUIPMENT OPERATOR's performance during DOT/Police roadside inspection on Hours of Service Rules and Regulations.
- EQUIPMENT OPERATOR's performance during DOT/Police roadside inspection on Equipment maintenance Rules and Regulations
- Status of logs the EQUIPMENT OPERATOR has been turning in
- Status of the truck/trailer whenever the MOTOR CARRIER safety Department performs regular inspections on them.
- Safe driving Habits
- Accidents/Incidents

- Cargo Safety
- Permits
- Drugs and Alcohol

Failure on any part of the quarterly safety Evaluation shall result into further training and re-certification and further disciplinary action as it may seem fit to the MOTOR CARRIER’s Safety Department.

***J. SAFETY OF PERSONS, EQUIPMENTS, PERSONAL VEHICLES AND PROPERTIES PARKED AT THE MOTOR CARRIERS TERMINAL***

The EQUIPMENT OWNER/EQUIPMENT OPERATOR agrees and acknowledges that under no circumstance shall the MOTOR CARRIERS be held responsible for any theft or damages arising from the EQUIPMENT OWNER/EQUIPMENT OPERATOR parking their equipment (either owned or leased via the MOTOR CARRIER), inside the MOTOR CARRIER’s terminal, parking their personal vehicles (including personal properties inside those vehicles) inside the MOTOR CARRIER’s terminal or personal injuries arising from the EQUIPMENT OWNER/EQUIPMENT OPERATOR or their equipment’s presence inside the MOTOR CARRIER’s terminal or EQUIPMENT OWNER/EQUIPMENT OPERATOR using equipment/tools inside the MOTOR CARRIER’s terminal.

The EQUIPMENT OWNER/EQUIPMENT OPERATOR further agrees that the shop inside the MOTOR CARRIER is off limit to the EQUIPMENT OWNER/EQUIPMENT OPERATOR. And the speed limit inside the MOTOR CARRIER’s terminal is 15 miles per hour.

Any accidents or incidents caused by the EQUIPMENT OPERATOR shall be reported just like any accident. The MOTOR CARRIER shall file a claim with the EQUIPMENT OWNER’s/EQUIPMENT OPERATOR’s bobtail insurance company or as it may be directed by the MOTOR CARRIER’s legal department. For this purpose all EQUIPMENT OWNER/EQUIPMENT OPERATOR are required to obtain and maintain a bob tail insurance policy and have the MOTOR CARRIER as additional insured.

The EQUIPMENT OWNER/EQUIPMENT OPERATOR further agrees that their equipment shall be parked at the designated areas only. Failure to do so shall lead to the MOTOR CARRIER towing the said equipment to the designated areas or a way from the property at the EQUIPMENT OWNER/EQUIPMENT OPERATOR’s expense.

The EQUIPMENT OPERATOR further acknowledges that the MOTOR CARRIER’s does not allow drivers to park their equipment and sleep overnight inside the MOTOR CARRIER’s terminal.



**6. COMPENSATION FOR SERVICES:**

As EQUIPMENT OWNER/ EQUIPMENT OPERATOR, full and complete consideration and compensation for furnishing the equipment and personal services, and meeting obligations hereunder, MOTOR CARRIER will pay to EQUIPMENT OWNER AND EQUIPMENT OPERATOR

For all kinds of transport trips made on behalf of MOTOR CARRIER:

The MOTOR CARRIER shall pay the EQUIPMENT OWNER / EQUIPMENT OPERATOR 88% percent of the gross line-haul receipts.

Therefore its agreed by both parties that the MOTOR CARRIER’s fee for only the dispatch services provided is 12 % of the gross line-haul receipts.

Settlement, other than final settlement, will be made for the EQUIPMENT OWNER/EQUIPMENT OPERATOR by MOTOR CARRIER every working day of the week; 8 am to 4 pm, 24 hours after turning in all required paperwork and after complying with the MOTOR CARRIER’s safety department.

The following paper work must be turned in to the MOTOR CARRIER’s Safety and accounting department before the MOTOR CARRIERS starts preparing settlement:

- Clean and organized driver’s daily logs (elogs after December 18, 2017).
- Original and clean delivery receipts and all bills of ladings
- Equipment safety inspection sheets from the MOTOR CARRIER’s shop and evidence of compliance if any violations were discovered.
- Clearance from the safety department on any other matters related to safety.
- All Safety related documents

**WAIVER: EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges awareness that lease and interchange regulations may provide that settlement paperwork includes only driver’s daily logs and those documents necessary for MOTOR CARRIER to secure payment from the customers. However, EQUIPMENT OWNER AND EQUIPMENT OPERATOR acknowledges awareness that the Department of Transportation requires that certain additional documents and reports be maintained for purposes of compliance by MOTOR CARRIER to the Federal MOTOR CARRIER Safety Regulations and that these documents and reports must be obtained from and through EQUIPMENT OPERATOR. EQUIPMENT OWNER AND EQUIPMENT OPERATOR, therefore, waives the foregoing regulatory provisions and agrees that the paperwork as defined above be a prerequisite to payment.**

**7. PROTECTING MOTOR CARRIER'S INTERESTS, CUSTOMERS, VENDORS PROPERTIES, REPUTATION OR LEGAL STANDING**

Customers including shippers, brokers and receivers are the reason the MOTOR CARRIER is in business.

Special care must be taken whenever drivers are dealing with them.

CATAPULT LOGISTICS prohibits drivers from calling its customers for any other reason except when authorized by the dispatcher and only for the purpose of dispatch information.

MOTOR CARRIER must be directed to dispatchers only.

Driver must meet The MOTOR CARRIER's customers' expectations in the following areas:

***A. PICK UP AND DELIVERY APPOINTMENTS***

Pickup and delivery appointments must be met absolutely.

There **shall be \$200.00 fine deducted** from each trip an appointment is missed for more than one hour. Customers are to only pay the freight rate on the load confirmation if all the conditions set forth in the confirmation are met.

Any money the customer short pays because of the driver's failure to pick up and deliver in a timely manner shall be deducted from the driver's pay. This is in addition to the \$200.00 fine deducted by the MOTOR CARRIER.

It's the driver's responsibility to inquire from the dispatcher about the pickup and delivery appointments prior to accepting the loads. If the driver determines that he/ she can't meet legally the pickup and delivery appointments; the driver must reject that load.

***B. LOAD COMMITMENT***

Falling off loads has very bad consequences to the company. Ninety nine percent of the time, customers with whom we have cancelled loads don't use us again.

It is the Driver's responsibility to get all the information needed to know about a load from his/her dispatcher before accepting it. At the same time, a driver's instructions and prior dealings with his/her dispatcher can result into the dispatcher booking a load before consulting with him/her.

Once the dispatcher books a load, as long as it is legal and agreed upon by the booking dispatcher and the equipment operator, it must be picked up no matter what. Failure to do so may lead to the driver being assessed **with a \$1,000.00 fine**.

***C. DRIVER PERFORMANCE***

Every truck is expected to generate at least \$5,000.00 gross per week. This target will enable the MOTOR CARRIER to covers all costs associated with operations such as dispatchers py, office expenses and so forth.

**Failure to maintain the \$5000.00 gross minimum per week is grounds for termination.**

***D. HARRASSMENT, THREATENING AND DISRESPECTFUL BEHAVIOR***

The MOTOR CARRIER shall not condone any form of harassment nor disrespectful approaches towards the MOTOR CARRIER’s Office personnel. Reports/ accusations of harassment or disrespectful behaviors shall be investigated and strict disciplinary action taken by the Human Resources Department.

***E. MISUSE OF FUEL CARD OR EMBEZZLEMENT OF MOTOR CARRIER’S RESOURCES***

Use of Fuel Card or asking for advances for wrong reasons with the intent to embezzle or cause the MOTOR CARRIER financial loss shall be considered as theft and the appropriate authority shall be notified.

***F. HOLDING FREIGHT AND/OR TRAILER HOSTAGE AND/OR FAILURE TO RETURN TRAILER***

***EQUIPMENT TO MOTOR CARRIER IN THE EVENT OF TERMINATION OF THIS CONTRACT***

Both parties agree that the EQUIPMENT OWNER AND EQUIPMENT OPERATOR in the event of termination of this contract shall never hold the freight and or trailer hostage nor fail to return the trailer equipment to the MOTOR CARRIER for any reason. In case the EQUIPMENT OWNER and or EQUIPMENT OPERATOR holds the freight and or trailer hostage or fails to return the trailer Equipment to the MOTOR CARRIER or if The MOTOR CARRIER cannot establish contact with the EQUIPMENT OPERATOR for two days in a row, the MOTOR CARRIER shall file either a criminal theft against either the EQUIPMENT OWNER, EQUIPMENT OPERATOR or both at the MOTOR CARRIER’s county District Attorney’s Office or a felony "Unauthorized Use" after informing the driver, EQUIPMENT OWNER or both of the pending filings by certified mail.

Further civil filings and collection proceedings against the EQUIPMENT OWNER, EQUIPMENT OPERATOR or both shall also apply to compensate the MOTOR CARRIER for any losses, damages, recovery costs and attorney fees.

***G. TRAILER AND OR FREIGHT THEFT***

The EQUIPMENT OWNER/driver shall never disconnect the trailer from the truck. More over the EQUIPMENT OWNER/ driver should park the truck/trailer at the MOTOR CARRIER’s terminal at all times anytime the EQUIPMENT OWNER/driver is in the Home Terminal area. If the EQUIPMENT OWNER / Driver is outside the Home Terminal area, he/ she should never leave the truck/trailer unattended.

In case the EQUIPMENT OWNER/driver claims that the trailer and or the freight is stolen, then the driver having been the last person in possession of the Trailer and or the freight must file a Police Report. The driver's failure to file a Police Report shall prompt the MOTOR CARRIER to file a felony, "criminal theft or Unauthorized use" at the district attorney's office against the driver after informing the driver of the impending filings by certified mail.

The MOTOR CARRIER shall charge the EQUIPMENT OWNER **\$3,500.00 as a deductible for any stolen Trailer** and cargo with a police report.

**8. FINAL SETTLEMENT**

In the event of termination of this agreement, a final settlement of moneys owed to the EQUIPMENT OWNER and EQUIPMENT OPERATOR under this Agreement will be made within ninety (90) days of either:

(1)Termination of this lease agreement and (2) after completion and receipt by MOTOR CARRIER of all paper work due to the MOTOR CARRIER in proper order, whichever occurs later, and that all permits, Trailer equipment, license plates and other properties of the MOTOR CARRIER are returned.

Paperwork and property for purposes of this provision are defined as:

- Driver's daily logs \_
- Daily trip report(s)
- Vehicle condition report(s)
- Delivery receipts and bills of lading
- All citations and police Reports
- All fuel cards and Trailer provided by the MOTOR CARRIER
- All bingo cards, permits, stamps, and other registration paperwork
- All license plates, unless specifically owned by EQUIPMENT OWNER
- Driver manuals and training materials provided to the EQUIPMENT OWNER and EQUIPMENT OPERATOR
- All copies of this Lease Agreement
- All documents, papers, or other instruments pertaining to the
- MOTOR CARRIER / EQUIPMENT OWNER relationship

**WAIVER: EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges awareness that lease and interchange regulations may provide that settlement paperwork includes only driver's daily logs and those documents necessary for MOTOR CARRIER to secure payment from shipper. However, EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges awareness that the US Department of Transportation requires that certain additional documents and reports be maintained for purposes of compliance by MOTOR CARRIER to the Federal MOTOR CARRIER Safety Regulations, and that these documents and reports must be obtained from and through EQUIPMENT OWNER or EQUIPMENT OPERATOR. EQUIPMENT OWNER and EQUIPMENT OPERATOR, therefore, waive the foregoing regulatory provisions and agree that the paperwork as defined above be a prerequisite to payment. If any claim of any kind is outstanding at the time of termination of the lease agreement, MOTOR CARRIER is authorized by EQUIPMENT OWNER AND EQUIPMENT OPERATOR to withhold such sum or sums as are necessary to indemnify MOTOR CARRIER from liability thereon, and EQUIPMENT OWNER AND EQUIPMENT OPERATOR authorizes MOTOR CARRIER to extend the period within which final settlement must be made until such claim or claims may be satisfied from the proceeds of final settlement due the EQUIPMENT OWNER AND EQUIPMENT OPERATOR.**

## 9. EQUIPMENT OWNER'S AND EQUIPMENT OPERATOR'S RESPONSIBILITY FOR

### DAMAGES TO EQUIPMEN OR THE PUBLIC

MOTOR CARRIER shall not be liable to EQUIPMENT OWNER and or the EQUIPMENT OPERATOR for any loss of or damage to the TRUCK EQUIPMENT OR TRAILER EQUIPMENT PROVIDED BY THE MOTOR CARRIER. EQUIPMENT OWNER and the EQUIPMENT OPERATOR assumes the risk of any injury or death to any person resulting from performance of this Agreement, whether caused by EQUIPMENT OWNER's own equipment or equipment furnished to it by MOTOR CARRIER, or by the employees / business partners of EQUIPMENT OWNER.

## 10. INDEMNITY

In the event MOTOR CARRIER incurs any liability, expense, costs or attorney's fees resulting from performance of the Agreement, or dispute between EQUIPMENT OWNER and EQUIPMENT OPERATOR, EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees to indemnify and save harmless MOTOR CARRIER from such liability, expense, costs or attorney's fees.

## 11. TRAILER EQUIPMENT PROVIDED BY MOTOR CARRIER

In the event MOTOR CARRIER supplies the trailer equipment for use by EQUIPMENT OWNER and EQUIPMENT OPERATOR; it's agreed that the EQUIPMENT OWNER and the EQUIPMENT OPERATOR shall assume the full responsibility of safeguarding it against theft and fully maintaining the trailer and all the accessorial equipment from the time the driver takes possession of it until its returned to the MOTOR CARRIER's possession. The MOTOR CARRIER does not own trailer equipment. What the MOTOR CARRIER does is to lease the said trailer on behalf of the EQUIPMENT OWNER and the EQUIPMENT OPERATOR from trailer leasing companies.

EQUIPMENT OWNER and the EQUIPMENT OPERATOR shall be responsible and liable for theft, wear and tear and damage to any said trailer and accessorial equipment, cost of impound in case of accident and any other cost associated with trailer abandonment occurring while in the possession or custody of EQUIPMENT OWNER and the EQUIPMENT OPERATOR.

At the time of a driver getting assigned a trailer he/she must inspect the trailer and make sure violations found in that trailer are repaired by the Trailer Leasing Company/MOTOR CARRIER prior to hooking the trailer to the truck. The Trailer Safety Inspection Sheet must be filled and signed by both the driver and the MOTOR CARRIER representative prior to hooking up the Trailer. The driver must note any other violations, damages or defects that don't need repair and the tread/break size on the MOTOR CARRIER provided Trailer safety Inspection Sheet.

The driver must keep a copy of the signed Trailer safety Inspection Sheet. Upon return of the said trailer by the driver the Trailer safety Inspection sheet shall be used to determine how much the MOTOR CARRIER shall charge the EQUIPMENT OWNER and the EQUIPMENT OPERATOR for wear and tear and any damages to the trailer.

The MOTOR CARRIER shall charge a fee of **\$25.00 per day for use of trailer provided by MOTOR CARRIER plus cost of the trailers physical insurance**, regardless of if the driver was under a load or not. The EQUIPMENT OWNER and

EQUIPMENT OPERATOR further agree to establish a **trailer escrow account in the amount of \$1,500.00**. The MOTOR CARRIER shall deduct from the EQUIPMENT OWNER and EQUIPMENT OPERATOR settlements **in pre-arranged installments until the escrow is fully funded**. All Trailer Deposit, part of it or nothing at all shall be given back at the time of returning the trailer to MOTOR CARRIER depending on the condition of the trailer at that time of return. The deposit account's purpose

is to reimburse the MOTOR CARRIER against any damages, wear and tear and or Trailer Recovery costs in the event of termination of this contract. The amount of damages to the trailer and wear and tear and Trailer recovery shall be determined by the MOTOR CARRIER's Safety Department once the Trailer Equipment is returned to the MOTOR CARRIER's terminal.

Both parties agree that the EQUIPMENT OWNER and the EQUIPMENT OPERATOR in the event of termination of this contract shall return the trailer to the MOTOR CARRIER terminal and in the same condition as when it was given out. In case the EQUIPMENT OWNER or the EQUIPMENT OPERATOR fails to return the trailer to the MOTOR CARRIER then the MOTOR CARRIER shall file against the EQUIPMENT OWNER/driver a "criminal theft or Felony Unauthorized Use" at the district attorney's office after informing the whoever responsible of the pending filings by certified mail.

In case the EQUIPMENT OWNER or the EQUIPMENT OPERATOR decides to take out some parts or accessories including but not limited to tires, breaks, drums, axles in retaliation at the time of termination of this contract, the MOTOR CARRIER shall consider that vandalism and theft then the appropriate authority shall be called in. Further civil filings shall apply to compensate the MOTOR CARRIER for any losses, damages and attorney fees. In the event EQUIPMENT OWNER and the EQUIPMENT OPERATOR supplies the trailer equipment under this Agreement, then EQUIPMENT OWNER and the EQUIPMENT OPERATOR shall be responsible as provided heretofore for all the maintenance of the trailer and accessorial equipment.

## 12. OPERATING EXPENSES

EQUIPMENT OWNER and EQUIPMENT OPERATOR shall furnish, provide, and pay all costs of operation which shall include, but not be limited to, the following:

- A. All motor fuel, oil and tires, and all equipment, accessories, or devices required for the operation of the equipment in compliance with the rules and regulation of any regulatory body having jurisdiction over the operation of the equipment;
- B. All maintenance costs and all repairs needed for the operation of said equipment in a safe and efficient manner.
- C. All taxes and assessments, premiums and other payments due by reason of the payment by EQUIPMENT OWNER and EQUIPMENT OPERATOR of wages or other earnings to EQUIPMENT OWNER's and EQUIPMENT OPERATOR's employees, workers, etc. and make such deductions and / or tax withholdings from such wages, and all reports with respect thereto as may be required.
- D. All base plates, licenses, prorates, tolls, ferries, fidelity bond premiums, mileage permits, postage for driver mailing in freight and other documents, driver's manual, and any unused portions of such items, and any other tax payments required of or on all equipment furnished to MOTOR CARRIER by EQUIPMENT OWNER and EQUIPMENT OPERATOR or in the use of operation thereof, as may be required by the states in rates, or permits it is agreed will be issued in the name of MOTOR CARRIER to comply with state or federal laws or regulations and that all reports connected therewith will be filed in the name of the MOTOR CARRIER.
- E. All fines and penalties arising out of the use of said equipment under the provisions of this Agreement, except fines and penalties arising out of acts or omissions of the MOTOR CARRIER. It is agreed in the event EQUIPMENT OPERATOR is dispatched to pick up a trailer which is preloaded or empty, whether sealed or not sealed, that EQUIPMENT OPERATOR will take the necessary steps to determine if the trailer is safe and not over loaded or improperly loaded and to correct same. Any fines, responsibility to repair or penalties arising out of such unsafe trailer, overload or improper loading will be paid by EQUIPMENT OWNER and EQUIPMENT OPERATOR
- F. Bobtail insurance

- G. Comprehensive (physical damage) insurance coverage for collision, fire and theft.
- H. Any detention or accessorial services provided;
- I. WORKERS COMPENSATION. EQUIPMENT OWNER and EQUIPMENT OPERATOR both acknowledge that they shall provide workers compensation insurance coverage on themselves (EQUIPMENT OPERATOR / Driver) at their own cost. **The MOTOR CARRIER does not in any way provide workers compensation to 1099 contractors.**
- J. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that the only driver who has the authority to operate or ride upon the equipment described within this Agreement or used in the performance of any work performed for MOTOR CARRIER must first be approved by MOTOR CARRIER and must meet both the minimum standards of MOTOR CARRIER as well as the minimum qualification standards of the Federal MOTOR CARRIER Safety Regulations. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledge that MOTOR CARRIER incurs a substantial cost in the performance of its responsibilities to ensure that a driver candidate is properly qualified for the position. EQUIPMENT OWNER and EQUIPMENT OPERATOR **shall pay the MOTOR CARRIER \$200.00 hiring fee.**
- K. EQUIPMENT OWNER agrees to pay all charges for the cleanout of trailers furnished by MOTOR CARRIER and used by EQUIPMENT OWNER and EQUIPMENT OPERATOR.
- L. INSURANCE. Whereas, MOTOR CARRIER is required by law to maintain insurance coverage for protection of the public, MOTOR CARRIER shall furnish public liability and property damage, and cargo insurance. This coverage only applies when the EQUIPMENT OPERATOR is executing duties on behalf of the MOTOR CARRIER. The MOTOR CARRIER shall charge the EQUIPMENT OWNER and EQUIPMENT OPERATOR **\$27.00 fee per day per truck equipment** for this insurance coverage provided by the MOTOR CARRIER (Liability and Cargo), inclusive of administrative services fee. The EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees to maintain their own Bob tail and physical damage Insurance to cover the EQUIPMENT OPERATOR while he/ she is not under dispatch at the EQUIPMENT OWNER's and EQUIPMENT OPERATOR's expense.

### 13. ANY MONIES THE MOTOR CARRIER PAYS ON BEHALF OF EQUIPMENT OWNER

In the event MOTOR CARRIER is called upon to pay any of EQUIPMENT OWNER's and EQUIPMENT OPERATOR's costs of operation, as enumerated above, or otherwise in this Agreement, such payment shall be considered a Loan to EQUIPMENT OWNER and EQUIPMENT OPERATOR, and MOTOR CARRIER is hereby authorized to reimburse itself out of any money due or becoming due to EQUIPMENT OWNER and EQUIPMENT OPERATOR **with a 10% loan fee.** In the event there are inadequate due or becoming due, EQUIPMENT OWNER and EQUIPMENT OPERATOR warrants that the amount will be reimbursed to MOTOR CARRIER immediately upon demand by MOTOR CARRIER. Failure to do so shall lead to the MOTOR CARRIER commencing legal proceedings or reporting the EQUIPMENT OWNER and or EQUIPMENT OPERATOR to Collection agencies for further action.

### 14. NO REQUIREMENT TO PURCHASE

EQUIPMENT OWNER and EQUIPMENT OPERATOR are not required to purchase or rent any products, equipment or services from MOTOR CARRIER as a condition of this Agreement other than the performance of such duties described herein. This may be altered by the MOTOR CARRIER at any time with an Addendum to this Agreement.

## 15. AGREEMENTS IN WRITING

In the event that EQUIPMENT OWNER is a party to any equipment purchase or rental agreement whereby MOTOR CARRIER is authorized to make any deductions from EQUIPMENT OWNER's compensation for purchase or rental payments, the terms of such agreement will be set forth in writing and agreed to by both parties to the Agreement.

## 16. MAINTENANCE RECORDS AND DRIVER RECORDS OF DUTY STATUS

All maintenance records covering the equipment required by the provisions and regulations of the Department of Transportation, the Federal MOTOR CARRIER Safety Administration, and / or any other duly authorized regulatory body shall be forwarded by EQUIPMENT OWNER and EQUIPMENT OPERATOR to MOTOR CARRIER as soon as required by the MOTOR CARRIER's Safety Department. All Drivers' Records of Duty Status (daily logs) shall be forwarded each day to MOTOR CARRIER by EQUIPMENT OPERATOR as required by the Federal MOTOR CARRIER Safety Regulations.

## 17. VEHICLE MARKINGS

EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees to put on each side of the said equipment the MOTOR CARRIERs DOT number and state permit numbers and other identification as may be required of MOTOR CARRIER on Equipment by any public authority. Any such identification means shall be removed or obliterated from the equipment by EQUIPMENT OWNER and be returned to MOTOR CARRIER upon termination of this Agreement for proper cancellation of the same in accordance with the provisions of any law or regulations relating thereto. MOTOR CARRIER shall not be obligated to pay any accrued rental on the said equipment or other compensation until all means of identification have been either obliterated or removed and returned to MOTOR CARRIER. EQUIPMENT OWNER and or the EQUIPMENT OPERATOR shall be responsible to MOTOR CARRIER for any loss of any character, reputation, etc. suffered by MOTOR CARRIER caused by the failure to return or obliterate such identification names and numbers. EQUIPMENT OWNER and EQUIPMENT OPERATOR hereby authorizes MOTOR CARRIER to take whatever steps necessary to ensure that this provision of this Agreement is complied with and agrees to reimburse MOTOR CARRIER any and all expenses related to the removal or obliteration of any and all references to MOTOR CARRIER remaining on each vehicle at the termination of this Agreement. MOTOR CARRIER shall not be responsible for any re-painting, resurfacing, and other items required to the vehicle after the removal or obliteration of MOTOR CARRIER's Identification(s).

## 18. SUBLEASE

Subleases of the equipment with EQUIPMENT OPERATOR / driver and all other necessary employees furnished by EQUIPMENT OWNER and EQUIPMENT OPERATOR to other authorized MOTOR CARRIERS or to other persons natural or artificial, as may be permitted under present or future trip leasing or brokerage regulations may be contracted for in accordance with the regulations in effect at the time and EQUIPMENT OWNER and EQUIPMENT OPERATOR hereby authorizes MOTOR CARRIER to act on behalf of and bind EQUIPMENT OWNER and EQUIPMENT OPERATOR in the negotiation and execution of any sublease entered into by MOTOR CARRIER and any other authorized MOTOR CARRIER. During the term of any such sublease, MOTOR CARRIER shall have no custody, control, use, responsibility nor liability for the operation neither of the same, nor for the acts of EQUIPMENT OWNER or EQUIPMENT OPERATOR or any other employee employed by EQUIPMENT OWNER and EQUIPMENT OPERATOR during the term of such sublease. Any compensation under a sublease



entered into in accordance with this Agreement received by MOTOR CARRIER to which EQUIPMENT OWNER and EQUIPMENT OPERATOR would be entitled shall be remitted by MOTOR CARRIER to EQUIPMENT OWNER and EQUIPMENT OPERATOR, provided, however, EQUIPMENT OWNER, or EQUIPMENT OPERATOR thereof, shall not accept any monetary advances upon trip lease arrangements unless approved by a duly authorized representative of MOTOR CARRIER. In the event EQUIPMENT OWNER or EQUIPMENT OPERATOR thereof, enters into a trip lease arrangement on his own and contrary to the provisions herein, such conduct shall be construed to be a material breach of this Agreement, and, subject to MOTOR CARRIER's option, shall be cause for immediate termination of the Agreement.

### **WAIVER**

EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges awareness that federal and state regulations may provide that MOTOR CARRIER is required to compensate EQUIPMENT OWNER and EQUIPMENT OPERATOR prior to payment to MOTOR CARRIER by the trip lease or second authorized MOTOR CARRIER. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that the proceeds of a trip lease to another MOTOR CARRIER while under lease to MOTOR CARRIER benefits EQUIPMENT OWNER and EQUIPMENT OPERATOR and the other MOTOR CARRIER, and not MOTOR CARRIER lessee herein. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges federal and state regulations may require MOTOR CARRIER herein to compensate EQUIPMENT OWNER and EQUIPMENT OPERATOR whether or not MOTOR CARRIER has collected from the trip lease or brokering MOTOR CARRIER or entity. EQUIPMENT OWNER and EQUIPMENT OPERATOR hereby specifically waives such provisions and its requirements and agrees with MOTOR CARRIER that EQUIPMENT OWNER and EQUIPMENT OPERATOR shall be paid for such trip leases and / or brokered loads when MOTOR CARRIER collects therefore.

### **19. WHO IS THE EMPLOYER OF THE SAID EQUIPMENT DRIVER?**

The driver (also referred to as EQUIPMENT OPERATOR) of the motor vehicle equipment used in the performance of this Agreement shall be operated exclusively by EQUIPMENT OWNER and the EQUIPMENT OPERATOR who is actually the driver of the said equipment. EQUIPMENT OWNER, and EQUIPMENT OPERATOR, shall be the employer of themselves within the meaning of the Internal Revenue Code. MOTOR CARRIER shall have no control over any funds it pays to EQUIPMENT OWNER and EQUIPMENT OPERATOR, and such funds shall not be considered wages within the meaning of the Internal Revenue Code. At the option of EQUIPMENT OWNER and the EQUIPMENT OPERATOR, and provided that all regulatory and MOTOR CARRIER obligations have been met as to the qualifications of drivers and workers as described elsewhere in this Agreement, EQUIPMENT OWNER and or EQUIPMENT OPERATOR may personally drive said motor vehicle or may at their own expense, employ all necessary drivers, driver helpers, and laborers, who shall be experienced, competent, and qualified to carry out the work to be performed by EQUIPMENT OWNER and EQUIPMENT OPERATOR under this Agreement, provided that MOTOR CARRIER shall have the right to remove from said vehicular equipment the driver thereof, and/ or any additional laborers, helpers, etc., and, at EQUIPMENT OWNER's and EQUIPMENT OPERATOR's expense, replace said driver, laborers, helpers, etc. with another or others chosen by it, whenever, in MOTOR CARRIER's opinion, such removal and replacement is in the public interest or for the protection of MOTOR CARRIER and its brokers, shippers and receivers. EQUIPMENT OWNER and EQUIPMENT OPERATOR warrants that such driver shall also be qualified under and shall meet all requirements of applicable requirements of the Department of Transportation, Federal MOTOR CARRIER Safety Administration, and other federal and state regulations, and any other regulatory authorities before being used by EQUIPMENT OWNER and

EQUIPMENT OPERATOR. Such EQUIPMENT OWNER and EQUIPMENT OPERATOR drivers, employee, driver-helpers, and laborers are understood to be employees of EQUIPMENT OWNER and EQUIPMENT OPERATOR rather than of MOTOR CARRIER, and EQUIPMENT OWNER and EQUIPMENT OPERATOR shall be solely responsible for the direction and control of its employees, including the selection, hiring, firing, supervising, directing, training, setting of wages, hours and working conditions, paying and adjusting the grievances of its employees, and withholding and paying assessments for taxes, Social Security, Unemployment Compensation and Worker's Compensation. The EQUIPMENT OWNER may also opt to use the MOTOR CARRIER to do only the **driver qualification for a fee of \$200.00 per driver**. The term "EQUIPMENT OWNER and EQUIPMENT OPERATOR" shall at all times herein be construed to mean EQUIPMENT OWNER and the driver who drives the said equipment who is actually the EQUIPMENT OWNER's business partner.

## 20. USE OF MOTOR CARRIER EMPLOYEES

EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledge that they may not attract, coerce, or otherwise attempt to hire MOTOR CARRIER employees or contractors to work for EQUIPMENT OWNER and EQUIPMENT OPERATOR. EQUIPMENT OWNER and EQUIPMENT OPERATOR warrants to Motor that they will not engage in any activity to cause MOTOR CARRIER employees, contractors, drivers, or helpers, etc. to leave the employ of MOTOR CARRIER. In the event a MOTOR CARRIER employee leaves the employment of Motor for any reason, EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that said employee may not work for EQUIPMENT OWNER or EQUIPMENT OPERATOR for a minimum of one (1) year from departure of MOTOR CARRIER.

## 21. WORKERS COMPENSATION

It is agreed by the parties hereto that EQUIPMENT OWNER and the EQUIPMENT OPERATOR assumes full and complete responsibility for all employees employed by them and the performance of all of its obligations under this Agreement. EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees to acquire and maintain at their own expense such Worker's Compensation insurance, disability, and / or health or other insurance required by the provisions of any other applicable Employer's Liability Law, on all such employees as will fully protect EQUIPMENT OWNER and EQUIPMENT OPERATOR from any and all claims under any Worker's Compensation Act or Employer's Liability Law, including the payment of any premiums or fees deemed to be charged by the said Insurance Company regarding EQUIPMENT OWNER / EQUIPMENT OPERATOR and their employees, laborers, helpers, etc. The EQUIPMENT OWNER and EQUIPMENT OPERATOR hereby acknowledges that in the event EQUIPMENT OWNER / EQUIPMENT OPERATOR or their employees loads or unloads freight subject to this Agreement, that such duties are performed not as an employee of MOTOR CARRIER, but as employee of EQUIPMENT OWNER and EQUIPMENT OPERATOR. EQUIPMENT OWNER and EQUIPMENT OPERATOR agree to indemnify and hold MOTOR CARRIER harmless from any liability for wages or increased insurance premiums or any other expenses arising out of the performance of such duties described herein.

## 22. CARGO LOSS, DAMAGE, DELAY

EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees that cargo which is dispatched and loaded on the vehicles shall be delivered to the consignee(s) with reasonable diligence, speed, and care, and EQUIPMENT OWNER and EQUIPMENT OPERATOR shall be fully responsible for any claims arising out of cargo losses, shortages, or damages, or delays in transporting shipments. MOTOR

CARRIER agrees to provide to EQUIPMENT OWNER and EQUIPMENT OPERATOR a full and detailed written explanation and itemization of any deductions for cargo or property shortages, losses, or damages, at or prior to the date on which the deduction from EQUIPMENT OWNER's and EQUIPMENT OPERATOR's compensation is made.

### 23. EMBEZZLEMENT AND SOLICITING

Any acts by the EQUIPMENT OWNER or the EQUIPMENT OPERATOR that is intended to cause the MOTOR CARRIER a financial loss shall be considered as theft and the appropriate state or federal authorities shall be immediately called in.

### 24. FAILURE TO DELIVER

In the event that EQUIPMENT OPERATOR is unable to effect delivery of a shipment because of a breakdown of equipment, illness, or for any other reason, and it is necessary for MOTOR CARRIER to use another driver or other person to effect said delivery, EQUIPMENT OWNER and EQUIPMENT OPERATOR will not be compensated for the portion of the transportation performed by others.

### 25. ACCIDENT / INJURY REPORTING

EQUIPMENT OWNER and EQUIPMENT OPERATOR shall report immediately any accident or injury occurring out of the performance of this Agreement, and shall within 24 hours of the occurrence of any accident involving equipment covered by this Agreement give to MOTOR CARRIER written notice of such accident. Such notice shall contain all available information relating to the time, place and circumstances of the accident and the names and addresses of any witnesses. In addition, EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees to report promptly to MOTOR CARRIER any claims; losses or damages of any kind whatsoever which involve the vehicles and cargo covered by this Agreement and to furnish MOTOR CARRIER with such written reports, affidavits and other assistance as may be necessary to investigate, settle or litigate any actual or potential claims against MOTOR CARRIER. EQUIPMENT OWNER and EQUIPMENT OPERATOR shall submit to MOTOR CARRIER's inspection, proof that EQUIPMENT OWNER and EQUIPMENT OPERATOR carry all the insurance required by this Agreement. The MOTOR CARRIER **shall charge the EQUIPMENT OWNER and EQUIPMENT OPERATOR \$2,000.00 for each accident / incident involving them.** Termination of this Agreement shall not relive EQUIPMENT OWNER and EQUIPMENT OPERATOR from liability pursuant to this Agreement for claims arising out of operations conducted by EQUIPMENT OWNER and EQUIPMENT OPERATOR pursuant hereto before termination hereof.

### 26. CANCELLATION

Either party after this lease agreement has been in effect for 30 days may cancel this Agreement effective thirty (30) days after written notice, sent certified mail, to the last address of record for the other contracting party hereto. On such termination, said equipment shall then be redelivered to EQUIPMENT OWNER. Either party may terminate this Agreement immediately by oral notice followed by written notice sent to the other party at its last known address in the event the notified party has violated any of the substantive provisions of this Agreement.

**27. REVISIONS**

Any revisions to this Agreement must be approved in writing by the contracting parties.

**28. REMEDIES**

Remedies under this Agreement are cumulative and shall not exclude any other remedy to which either party may be lawfully entitled.

**29. NO WAIVER**

Failure to insist upon the strict performance of a covenant or promise under this Agreement shall not be considered a waiver of the right to demand strict compliance in the future.

**30. CAPTIONS**

Titles or captions of any part of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereunder.

**31. INDEMNITY**

Each party shall be indemnified by the other party and shall be held harmless against and from all claims, demands, actions, and rights of action, including costs and reasonable attorney fees, which shall or may arise by virtue of anything done or omitted to be done by the other party outside the scope of, or in breach of the terms of, this Agreement, provided the other party shall be promptly notified of the existence of the claim, demand, action, or right of action, and shall be given reasonable opportunity to participate in the defense thereof.

**32. TERMINATION**

In the event of termination of this Agreement by either party, EQUIPMENT OWNER and or Equipment Operator will deliver to MOTOR CARRIER the MOTOR CARRIER provided trailers, all bills of lading and other forms, advertising materials and literature obtained by EQUIPMENT OWNER and EQUIPMENT OPERATOR through or furnished by MOTOR CARRIER, and licenses, registration plates, identifying insignia, cards or papers obtained by or on behalf of MOTOR CARRIER in furtherance of the operation of EQUIPMENT OWNER's and EQUIPMENT OPERATOR vehicles in the business of MOTOR CARRIER. MOTOR CARRIER shall have the right to defer final settlement with EQUIPMENT OWNER and EQUIPMENT OPERATOR such time as EQUIPMENT OWNER and EQUIPMENT OPERATOR shall have complied fully with all the applicable provisions of this Agreement or to deduct the expenses to MOTOR CARRIER appearing out of any of the above-described obligations.

### 33. EXCLUSIVITY

EQUIPMENT OWNER and EQUIPMENT OPERATOR hereby certifies by execution hereof that the equipment leased hereunder is not subject to any other leases to any other MOTOR CARRIERS or other lessees of any kind or type whatsoever.

### 34. FAILURE TO REPORT

EQUIPMENT OPERATOR agrees that MOTOR CARRIER may assess and collect by **deduction from any settlements due a \$100.00 charge** for EQUIPMENT OWNER or EQUIPMENT OPERATOR failing to report or answer the phone in accordance with required company procedures on a daily basis and for failure to furnish the necessary information to MOTOR CARRIER related thereto. In case the MOTOR CARRIER doesn't hear from the driver for a full working day, the appropriate authorities shall be notified. The EQUIPMENT OWNER and the EQUIPMENT OPERATOR further give the MOTOR CARRIER the unlimited authority to communicate with them through the mobile phone.

### 35. FUEL ADVANCES

For the purpose of log book entries verification every driver is required to use the fuel card. Failure to use the fuel card that shows the date and time of fueling on each transaction shall result into **\$100.00 fine per occurrence**. The MOTOR CARRIER shall provide advances for fuel, tolls and lumper necessary for the EQUIPMENT OWNER and EQUIPMENT OPERATOR to effectively execute their her duties. Drivers can only pump **\$800.00 worth of fuel in any 24 hour period**. Only **\$250.00 can be allowed as cash advance** in the fuel card per week. Fuel purchases and cash advances can only be approved for those drivers who are at work. Off duty drivers or drivers who are not under a load do not qualify for fuel purchases and/or cash advances. EQUIPMENT OWNER and EQUIPMENT OPERATOR agree that MOTOR CARRIER shall charge and collect by deduction from any settlements due, all the advances given out. In addition the MOTOR CARRIER shall charge **\$1.50 per transaction fee** to the EQUIPMENT OWNER and EQUIPMENT OPERATOR for using the MOTOR CARRIER's fuel Card

### 36. ADVANCES FOR EQUIPMENT REPAIR OR PERSONAL USE

The MOTOR CARRIER may advance money for emergency repairs only if the driver has enough trips already delivered to guarantee repayment or if the EQUIPMENT OWNER and driver have built credibility with the MOTOR CARRIER. The driver must contact his / her dispatcher for any advance approval. A returnable postdated check payable to the MOTOR CARRIER may be required. Any advances given in this regard must be paid back in whole plus a 10% fee within two weeks. Further fees may be applied if the EQUIPMENT OWNER and EQUIPMENT OPERATOR don't pay back the loan in two weeks. EQUIPMENT OWNER and EQUIPMENT OPERATOR agrees that in the event, he / she terminates this contract before paying back his / her debt, the MOTOR CARRIER shall use all means necessary to collect the debt including but not limited to the legal system, collection agencies and seizing of the truck equipment. Any negative net amount on the pay slip shall be considered as a loan and therefore the agreement we have as regards to loans / advances shall apply.

**37. LICENSING REFUNDS**

The EQUIPMENT OWNER and the EQUIPMENT OPERATOR agrees that if the MOTOR CARRIER provides a truck registration, the EQUIPMENT OWNER and the EQUIPMENT OPERATOR must stay for the whole term till it expires. EQUIPMENT OWNER and the EQUIPMENT OPERATOR agrees that no refunds on the unused or unexpired portion of vehicle licenses for registration purposes will be made in case this contract is terminated by either party.

**38. BREACH OF TERMS**

It is understood and agreed by EQUIPMENT OWNER and EQUIPMENT OPERATOR and MOTOR CARRIER that any breach of this Agreement shall constitute grounds for immediate termination of this Agreement, as shall conduct contrary to company policy or misconduct contrary to applicable Department of Transportation, Federal MOTOR CARRIER Safety Administration, and/or other State or federal regulations, and that said termination shall be effective on the date of mailing notice thereof or on the date of termination by consent, at MOTOR CARRIER’s election.

**39. SEVERABILITY**

If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or lack of enforceability shall not affect the validity or enforceability of any other provisions of this Agreement.

**40. ENTIRE AGREEMENT**

It is expressly understood and agreed between the parties hereto that no verbal arrangements and agreements between the parties hereto are incorporated in this Agreement and that this Agreement, and all the provisions contained herein, shall supersede, replace and take precedence over any prior agreement or agreements of similar character between the parties hereto. Any supplements, addendums or revisions to this Agreement must be in writing, signed by both (all) parties.

**41. APPLICABLE LAWS**

This Agreement, and all the provisions contained herein, shall be interpreted according to the laws of the State of Texas, in the United States of America.

**42. AGREEMENT EXPLANATION**

EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that all of the provisions including the waivers contained in this lease agreement have been fully explained to EQUIPMENT OWNER and EQUIPMENT OPERATOR and that EQUIPMENT OWNER and EQUIPMENT OPERATOR by execution of this lease agreement agrees to the terms and provisions herein. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledge that the opportunity to consult with an attorney concerning this lease agreement has been extended to them. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that they shall execute their duties and conduct themselves based on this lease agreement and that they concurs therein and agrees to comply therewith and to enforce all such provisions with their employees, helpers, etc. EQUIPMENT OWNER and EQUIPMENT OPERATOR acknowledges that they have been informed that the individual charges to be assessed against EQUIPMENT OWNER and EQUIPMENT OPERATOR initially for such things as bonds, and other charges made to MOTOR CARRIER for compliance within the scope of operations of MOTOR CARRIER will be set forth on a separate sheet specifying the nature of the charge and the amount of the charge in each instance and that EQUIPMENT OWNER and EQUIPMENT OPERATOR concurs and agrees to this method of identifying such charges.

**43. TERM OF AGREEMENT**

This agreement shall be effective for a minimum period of one day and shall continue thereafter from day to day until terminated by either party. This agreement can be terminated for any reason by either party without notice

**44. CERTIFICATE OF LEASE REVIEW WITH EQUIPMENT OWNER**

The undersigned hereby certify that on the date shown below each and every provision in the EQUIPMENT OWNER/ EQUIPMENT OPERATOR lease agreement with MOTOR CARRIER., bearing the same date as this certificate, and especially those provision emphasizing waivers and departure from standard provisions advocated by federal or state law have been fully explained. EQUIPMENT OWNER and or EQUIPMENT OPERATOR acknowledge that this Agreement has been reviewed by them and that they fully understand the lease Agreement and its provisions, waivers, restrictions, and all aspects of the Agreement. Upon signing this lease contract by both parties all its provisions shall remain binding and have full force and effect, prior to any cancellation by either party as per the terms of this agreement.

**45. EQUIPMENT DESCRIPTION**

The motor vehicle equipment herewith leased to CATAPULT LOGISTICS LLC, DOT # 2918961 is described as follows:

TRUCK NUMBER \_\_\_\_\_ TRAILER \_\_\_\_\_

YEAR / MAKE / MODEL \_\_\_\_\_

TRUCK VIN \_\_\_\_\_

TRAILER VIN \_\_\_\_\_

TRUCK STATE AND LICENSE PLATE \_\_\_\_\_

TRAILER STATE AND LICENSE PLATE \_\_\_\_\_



**EQUIPMENT OWNER:**

NAME: \_\_\_\_\_

SSN: \_\_\_\_\_ DL: \_\_\_\_\_ STATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**EQUIPMENT OPERATOR:**

NAME: \_\_\_\_\_

SSN: \_\_\_\_\_ DL: \_\_\_\_\_ STATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**MOTOR CARRIER:**

MOTOR CARRIER REPRESENTATIVE NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_