



## **JLM Transportation, LLC**

**PO Box 199, 1404 Hwy 71N, Mena, AR 71953**

### **INDEPENDENT CONTRACTOR AGREEMENT**

JLM Transportation, LLC ("CARRIER"), an authorized motor carrier [US DOT #3028900] [EIN # 82-2110754] and \_\_\_\_\_ {CONTRACTOR}, in consideration of the covenants and agreements contained herein and pursuant to the federal leasing regulations under 49 C.F.R. Part 376, enter into this Independent Contractor's Agreement ("Agreement") on this, \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

1. PROVISION OF SERVICES AND EQUIPMENT. During the term of this Agreement, CONTRACTOR shall provide CARRIER transportation related services and the use of the equipment (the "EQUIPMENT"). CONTRACTOR represents and warrants that CONTRACTOR has title to or is authorized to contract the Equipment and services to CARRIER. CONTRACTOR shall not operate any equipment unless it's identified on the receipt for equipment. Upon taking possession of the Equipment from CONTRACTOR, CARRIER shall furnish to CONTRACTOR a receipt for Equipment, which shall constitute the receipt required by 49 C.F.R. § 376.11(13). Upon termination of this Agreement, CONTRACTOR shall execute a similar receipt for equipment as the written receipt for the return of the Equipment by CARRIER to CONTRACTOR; provided, however, that the Agreement and CARRIER'S obligations thereunder shall expire upon the written notice of termination regardless of whether CONTRACTOR submits the receipt required under this provision.

2. DURATION OF AGREEMENT AND TERMINATION. This Agreement shall begin on the date set forth above and end exactly one (1) year thereafter. The Agreement shall be renewed automatically from year to year after that period unless terminated sooner by either party. Either party may terminate this Agreement for any reason by giving notice to that effect to the party either personally or by mail, at the address shown at the end of this agreement. The ability of either party to terminate this Agreement shall in no way be interpreted as an at-will employment provision and shall not otherwise affect CONTRACTOR'S status as an independent contractor under this Agreement. CONTRACTOR shall, upon the termination of this agreement, remove all CARRIER identification from the Equipment and return it to CARRIER, via hand 'delivery or certified mail, together with all of CARRIER'S property, including paperwork, load securement equipment and freight, to CARRIER'S nearest terminal or, other location specifically authorized by CARRIER. If CONTRACTOR fails to return CARRIER'S property or freight to CARRIER or remove and return all CARRIER identification from the Equipment upon termination of this Agreement, CONTRACTOR shall pay CARRIER, all collections costs incurred by CARRIER, including reasonable attorney fees, and CARRIER may pursue all other remedies allowed by law or authorized in the Agreement against CONTRACTOR.

3. COMPENSATION. It is expressly understood and agreed that CONTRACTOR'S compensation shall be asset forth in Appendix A, and such compensation shall constitute the total compensation for everything furnished, provided, or done by CONTRACTOR in connection with this Agreement, including driver services. Although CARRIER shall use reasonable efforts to make shipments available to CONTRACTOR for transportation during the term of this Agreement, CONTRACTOR acknowledges and agrees that CARRIER does not guarantee any specific number of shipments or amount of revenue to CONTRACTOR during the term of this Agreement.

4. SETTLEMENT PERIOD. CARRIER shall settle with CONTRACTOR with respect to services provided under this Agreement within fifteen (15) calendar days after CONTRACTOR's submission, in proper form, those documents necessary for CARRIER to secure payment from its customers, including signed freight bill, delivery receipt or bill of lading, and properly completed logs as required by the Federal Motor Carrier Safety Administration ("FMCSA"). CONTRACTOR understands and agrees that each bill of lading must contain all required signatures, including signatures from the shipper, consigner, and driver, in order to be acceptable to CARRIER. CONTRACTOR further acknowledges that the use of Drive Axle for every haul receipt and bill of lading is required for payment of those loads to CONTRACTOR by CARRIER. In addition to sending in all documents via Drive Axle, CONTRACTOR is required to submit all original documents, in connection with every load delivered by 11:59pm every Friday, with overnight delivery service to reach CARRIER no later than 10:00am the following Monday. If CONTRACTOR fails to turn in the required documents, in proper form, they shall be granted one opportunity by CARRIER to address the issues and resubmit for payment. CONTRACTOR may examine CARRIER's tariffs, or other contracts or documents, if any, from which charges and rates are computed; provided, however, only that information that would appear on a rated freight bill will be disclosed by CARRIER. CARRIER shall have the right to review all of CONTRACTOR's documents and records relating to the use of the Equipment and the services provided under this Agreement, and CONTRACTOR agrees to provide CARRIER with access to such documents and records upon reasonable notice. With respect to final settlement upon termination of this Agreement, the failure on the part of CONTRACTOR to remove and return to CARRIER all identification devices of CARRIER or a letter certifying their removal shall entitle CARRIER to withhold any payments owed to CONTRACTOR, including any escrow funds, until such obligation is met.

As a condition precedent to any claim against CARRIER relating to compensation, chargebacks, computation of Settlements or any other item regarding compensation or deductions under this agreement, CONTRACTOR shall provide written notice to CARRIER of any claim by CONTRACTOR no later than 90 days after the date of the settlement. The written notice must reasonably describe: (1) the amount of the claim; (2) the basis of the claim; (3) a description sufficient to allow CARRIER to investigate the matter. It is expressly acknowledged and agreed by the parties that a) The amount paid, the amounts deducted, and the method of computing compensation, which is reflected in any Settlement for which no written claim was presented within 90 days, is all in accordance with the parties' agreement and b) The compensation, chargebacks and method of calculation for each Settlement, for which no written claim was presented within 90 days, is agreed to have been ratified by CONTRACTOR as full performance by CARRIER.

CONTRACTOR agrees CONTRACTOR waives all claims relating to compensation, chargebacks, and claims otherwise relating to the computation of settlements, for all settlements for which written notice has not been provided within the 90 days, as required pursuant to the agreement of CARRIER and CONTRACTOR stated herein including claims of non-disclosure and misrepresentation.

5. CHARGE BACKS AND OTHER DEDUCTIONS FROM CONTRACTOR'S COMPENSATION. CARRIER shall charge back to contractor at the time of payment or settlement, any liability or expense CARRIER has incurred or paid that, under this Agreement or any addendum to this Agreement, CONTRACTOR is obligated to bear. Such expenses shall be deducted from the amount of CONTRACTOR's compensation and shall include those expenses set forth in Appendix A or other appendices of this agreement. The amount of each item to be charged back to CONTRACTOR shall be computed based on the actual cost or expense incurred by

CARRIER and any administrative fee or mark-up disclosed in Appendix A or elsewhere in this Agreement or any addendum thereto. CARRIER shall provide CONTRACTOR written itemization and documentation of all charge backs where such documentation is necessary to verify the validity of the charge.

6. INSURANCE. The respective obligations of the parties shall be set forth in Appendix B. CARRIER shall maintain public liability, property damage, and cargo insurance in such amounts as are required by the FMCSA. CARRIER shall maintain insurance coverage for the protection of the public pursuant to 49 U.S.C. § 13906. CARRIER's possession of legally required insurance shall in no way restrict CARRIER's right of indemnification from CONTRACTOR as provided under this Agreement.

7. ESCROW. CONTRACTOR authorizes CARRIER to establish and administer an escrow fund in accordance with the provisions of Appendix C.

8. COMPLIANCE WITH PERTINENT LAWS AND REGULATIONS BY CONTRACTOR.

(a) Drivers. CONTRACTOR shall provide competent drivers who meet CARRIER's driver qualification standards and meet all of the requirements of the FMCSA, including but not limited to, familiarity and compliance with all federal, state, and local laws and regulations. The parties agree that CARRIER shall have the right to screen and determine if driver is a qualified candidate to be driving under this contract. CARRIER has the sole discretion to disqualify any driver provided by CONTRACTOR before said driver is placed in operation or during the course of operation and at any time during this contract. In the event that the driver is found to be unsafe, unqualified pursuant to federal or state law, or in violation of any policies of CARRIER and CARRIER's customers. Upon a driver's disqualification by CARRIER, CONTRACTOR shall be obligated to furnish another competent, reliable, and qualified driver that meets the qualification standards as previously stated.

(b) Paperwork Requirements. CONTRACTOR shall submit to CARRIER, on a timely basis, all physical examination certificates, accident reports, and any other required data, documents, or reports. As required by 49 C.F.R. § 376.12 (i), CARRIER will keep the original of this Agreement with a copy to be maintained by CONTRACTOR, and a second copy to be carried in the Equipment during this Agreement.

(c) Shipping Documents. CONTRACTOR agrees that all bills of lading, waybills freight bills, manifests, or other papers identifying the property carried on the Equipment shall be those of CARRIER, or as authorized by CARRIER, and shall indicate that the property transported is under the responsibility of CARRIER or a carrier with which the Equipment has been subcontracted.

(d) Drug and Alcohol Testing. CONTRACTOR and its drivers shall, as required by 49 C.F.R. § 382.103, comply with CARRIER's random drug and alcohol-testing program, and any addendums or revisions thereto.

(e) Safe Operations. CONTRACTOR agrees to operate the Equipment in a safe and prudent manner at all times in accordance with the laws of the various jurisdictions in which the Equipment will be operated and pursuant to the operating authorities of CARRIER, and in accordance with all rules related to traffic safety, highway protection and road requirements. Moreover, CONTRACTOR agrees that all drivers and/or workers employed by CONTRACTOR will comply with the terms of this Agreement, including the requirements of safe operations, while operating the Equipment on behalf of CONTRACTOR. CONTRACTOR agrees that any driver utilized by CONTRACTOR will comply with CARRIER's policies and procedures and any subsequent revisions thereto, which will be provided by CARRIER.

(f) Loading and Unloading. CONTRACTOR agrees and accepts that CONTRACTOR has the sole responsibility for loading and unloading of any and all materials and freight and accepts responsibility for damage to his vehicle that occurs in the loading or unloading process. CONTRACTOR is solely responsible for proper load securement and providing all proper and necessary equipment and further agrees to indemnify CARRIER for all claims arising from CONTRACTOR's loading and unloading.

(g) Customer Requirements. CONTRACTOR agrees to comply and ensure compliance by CONTRACTOR's driver(s) with customer requirements in performing services and shall be responsible for all costs incurred in connection with access requirements and conditions of entry to facilities owned, operated, or utilized by CARRIER's customers or third parties as may be necessary to perform deliveries under this agreement. These costs and access requirements include but are not limited to purchase uniforms, Personal Protective Equipment, including fully reflective safety attire on which driver's name is prominently displayed, fire protected coveralls, attendance of courses, obtaining certifications, and other items that may be required by CARRIER's customers or third-party facilities to be entered in connection with the services provided under this Agreement.

(h) Safety Meetings and Training. CONTRACTOR agrees to attend at least one driver safety training per quarter to comply with the regulations issued by the United States Department of Transportation and the Arkansas Department of Transportation and/or the requirements of CARRIER's insurance carrier and Customers. CARRIER will offer a driver safety training at least once per quarter which CONTRACTOR may also attend free of charge to fulfill CONTRACTOR's obligation. CONTRACTOR may also elect to attend a driver safety meeting provided by a third-party provider at CONTRACTOR's sole cost and expense, provided that the quality

of the meeting is approved by CARRIER's safety department. If CONTRACTOR attends approved, third party driver safety classes, CONTRACTOR will provide CARRIER with proof of course completion.

(l) Credit Extension. CONTRACTOR further agrees not to receive any credit extension in CARRIER's name or in any way to use CARRIER's name to obtain credit.

## 9. OPERATIONAL EXPENSES.

(a) Operating Expenses. CONTRACTOR shall, at its sole cost and expense, provide all the Equipment ready to operate and fully roadworthy, including the necessary licenses, permits, cab cards, state apportioned plates and shall furnish all necessary oil, fuel, tires, and other parts, supplies and equipment necessary or required for the safe and efficient. operation and maintenance of the Equipment, including repairs for the operation of such Equipment. CONTRACTOR shall pay all expenses incident to the operation of the Equipment, including, but not limited to, empty mileage, lumper expenses, highway use taxes, weight taxes, state property or indefinite situs taxes, fuel taxes, registration fees, toll charges, and detention and accessorial charges not collected by CARRIER because of CONTRACTOR'S failure to provide the required documentation.

(b) Maintenance and Inspection. CONTRACTOR, at its sole cost and expense, shall maintain the Equipment in safe condition and in complete compliance with all laws and regulations of the FMCSA and all states in which CONTRACTOR operates. In order to ensure compliance with all FMCSA regulations, CONTRACTOR shall, at its sole cost and expense, make the Equipment available for inspection by carrier upon reasonable request by CARRIER. CONTRACTOR shall, at its sole cost and expense, have the Equipment inspected annually, as required by 49 C.F.R. § 396.17. CONTRACTOR shall, as directed by CARRIER, forward to CARRIER all inspections, maintenance and repair records for the Equipment on a monthly basis.

(c) Fines. CONTRACTOR or its drivers agree to pay all fines, including but not limited to overweight tickets, late fees, tolls, parking and traffic fines and penalties, imposed for violation of any law or regulation by the state or any locality in which CONTRACTOR operates, the DOT, or the Surface Transportation Board.

(d) Overweight and Oversized Shipments. CONTRACTOR shall have the duty to determine that all shipments are in compliance with the size and weight laws of the states in which or through which the Equipment will travel and to notify CARRIER if the vehicle is overweight, oversized or in need of permits before commencing the haul. Except when the violation results from the acts or omissions of CONTRACTOR, CARRIER shall assume the risks and costs of fines for overweight and oversize trailers when such are preloaded and sealed and the CONTRACTOR did not have access to scales, or the load is containerized, or for improperly permitted oversized and overweight loads, or the trailer or lading is otherwise outside of CONTRACTOR's control. CONTRACTOR shall pay, or reimburse CARRIER, for any costs or penalties due to CONTRACTOR's failure to weigh each shipment or to notify CARRIER that the vehicle is overweight, oversized or in need of permits.

(e) License Plates. Upon request by CONTRACTOR, CARRIER shall obtain an apportioned plate under the International Registration Plan ("IRP") in CARRIER's name for use by CONTRACTOR, the cost of which shall be deducted from CONTRACTOR's compensation. CONTRACTOR shall be charged back in connection with obtaining the plates, as reflected in Appendix A. Upon expiration or termination of this Agreement, any license plates purchased by CARRIER shall remain with CARRIER for CARRIER's exclusive use and possession.

(f) Fuel Tax. For the purposes of computing and paying all state taxes owed for the Equipment, CARRIER shall issue CONTRACTOR a fuel card to be used for all fuel purchases. All fuel charges and state fuel taxes will be charged back to CONTRACTOR as allowed for under this Agreement. In the event CONTRACTOR or its drivers fail to use CARRIER's fuel card, CONTRACTOR shall be responsible for providing CARRIER with an accurate accounting of all fuel purchases and miles traveled for the purpose of computing state fuel tax liability, and CONTRACTOR shall provide CARRIER with all original fuel receipts. These are to be provided in the load paperwork with the load that they are to be assigned to.

(g) Communication Equipment. CONTRACTOR agrees to obtain, install and maintain appropriate mobile communication equipment that is compatible for communications with CARRIER and customers of CARRIER; provided, however, that it is expressly

understood that CONTRACTOR is not to use the communication equipment during operation of the Equipment or in the area of loading or unloading and shall at all times comply with all applicable laws that regulate the use of cellular communication devices.

10. CARGO CLAIMS. CONTRACTOR shall be responsible for any claims resulting from cargo loss, damage, delays, or shortages, occurring while such cargo is under CONTRACTOR's care, custody or control to the extent that the CARRIER is responsible for such loss, damage or delay under the terms of any applicable tariff or agreement. If the loss, damage, delay or shortage is covered by CARRIER's cargo insurance policy, CONTRACTOR shall be liable for, and CARRIER shall charge back to CONTRACTOR the amount of the insurance deductible of each cargo claim; provided, however, that any loss, damage, delay, shortage, or claim arising from CONTRACTOR's gross negligence or intentional misconduct, as determined by CARRIER in its reasonable discretion, shall be the complete and total responsibility of CONTRACTOR. CONTRACTOR shall be responsible for all loss or damage not covered by CARRIER's cargo insurance policy. CARRIER will provide CONTRACTOR with a written explanation and itemization of any deduction for cargo loss or damage or delays in transportation made from any compensation or trip settlement owed to CONTRACTOR at or before the time of deduction. In the event that CARRIERS cargo insurance carrier construes this provision as affecting or invalidating insurance coverage that would otherwise protect CARRIER and/or CONTRACTOR's driver. This provision shall be null and void.

11. USE OF CARRIER OR THIRD-PARTY EQOIMENT. CONTRACTOR agrees to maintain any equipment provided for its use by CARRIER or other third party during the term of this agreement and return such equipment in the same good condition as received by CONTRACTOR, reasonable wear and tear excepted, along with all other equipment and property belonging to CARRIER or third party immediately Upon CARRIER's request or upon termination of this agreement. In the event the equipment and property are not returned in as good of condition as it was delivered by CARRIER, or Maintenance due to beyond reasonable wear and tear is required, CONTRACTOR HEREBY AUTHORIZES CARRIER TO REPAIR OR RESTORE THE EQUIPMENT AND PROPERTY TO PROPER CONDITION AND CHARGE BACK TO CONTRACTOR THE COSTS OF SUCH REPAIRS OR RECONDITIONING. CARRIER shall provide CONTRACTOR with a written explanation and itemization of any deduction for equipment or property damage made from any escrow fund, compensation, or settlement owed to CONTRACTOR at or before the time of deduction. In the event CONTRACTOR has maintenance or repairs performed on CARRIER's or third Party's equipment or property, CONTRACTOR agrees to maintain a written explanation and itemization of the maintenance that was performed and present it to CARREIR. In the event CONTRACTOR for any reason fails to properly return equipment or property provided for its use by CARRIER or third-party CONTRACTOR agrees to reimburse CARRIER for all reasonable expense, cost and attorney's fees incurred by CARRIER in recovery of the equipment or property from CONTRACTOR and authorizes CARRIER to deduct these cost, fees and expenses from CONTRACTOR's escrow and final settlement check. CONTRACTOR shall be liable for the insurance deductible of each claim and any other damages and expenses not covered by insurance, for each incident involving direct, indirect, and consequential damage including but not limited to fire, theft, collision, towing charge, replacement costs for a total loss, and reasonable attorneys' fees, arising out of, or in connection with, CONTRACTOR'S negligence or intentional misuse of CARRIER's or third party's trailers or other property, regardless of fault. This amount is in addition to any charge backs for Cargo claims or Liability Claims. Before deducting any such damage from CONTRACTOR's settlement, CARRIER shall provide CONTRACTOR with an explanation of such damage. CONTRACTOR agrees and warrants that any trailer provided for use by CARRIER, or third party will only be used by CONTRACTOR and its drivers to transport shipments tendered to CONTRACTOR by CARRIER.

12. COMPLETION OF SHIPMENT BY CARRIER. If for any reason CONTRACTOR shall fail to complete transportation of commodities that is in transit or that CONTRACTOR has otherwise agreed to perform, or abandons a shipment, or otherwise subjects CARRIER to liabilities to shippers or governmental agencies on account of the acts or omissions of CONTRACTOR en route, CONTRACTOR expressly agrees that CARRIER shall have the right to complete performance using the same or other equipment, and holding CONTRACTOR liable for the cost thereof and for such action and agrees to reimburse CARRIER for any costs and expenses arising out of such completion of such trip, and pay to CARRIER any damages for which CARRIER may be liable to a customer arising out of such a breach of contract of CONTRACTOR.

13. ACCIDENTS AND CLAIMS. CONTRACTOR shall immediately report any accident or potential claim to CARRIER involving operations under this Agreement. CONTRACTOR and its drivers shall cooperate fully with CARRIER with respect to any legal action, regulatory hearing or other similar proceeding arising from the operation of the Equipment, the relationship created by this Agreement, or the services performed hereunder. CONTRACTOR shall, upon CARRIER's request and at CONTRACTOR's sole expense, provide written reports or affidavits, attend hearings and

trials, and assist in securing evidence or obtaining the attendance of witnesses. CONTRACTOR shall provide CARRIER with any assistance as may be necessary for CARRIER or CARRIER's representatives or insurers to investigate, settle or litigate any accident, claim or potential claim by or against CARRIER. CONTRACTOR shall be liable for, and CARRIER shall charge back to CONTRACTOR, the first \$2,500.00 of each accident liability claim, including but not limited to, personal injury, death, property damage investigation/adjusting expenses or other costs incurred by CARRIER, arising out of, or in connection with CONTRACTOR's services. CONTRACTOR shall be responsible for the entire amount of any accident liability claim caused by the gross negligence or intentional acts of CONTRACTOR or its drivers, as determined by CARRIER. Before deducting any accident liability claims from CONTRACTOR's compensation, CARRIER shall provide CONTRACTOR with a written explanation and itemization for each such claim.

14. HOLD HARMLESS. Except to the extent specifically stated otherwise in this Agreement, CONTRACTOR agrees to defend, indemnify and hold harmless CARRIER from any direct, indirect and consequential loss, damage, fine, expense, including reasonable attorney's fees, action, claim for injury to persons, including death, and damage to property which CARRIER may incur arising out of or in connection with the operation of the Equipment, CONTRACTOR's obligations under this Agreement, or any breach by CONTRACTOR of the terms of this Agreement. This provision shall remain in full force and effect both during and after the termination of this Agreement.

15. CARRIER RESPONSIBILITIES.

(a) Exclusive Possession and Responsibility. The Equipment shall be for CARRIER's exclusive possession, control, and use for the duration of this Agreement. As such, CONTRACTOR shall not operate the Equipment for any other motor carrier or entity during the term of this Agreement without prior written consent from CARRIER. CARRIER shall assume complete responsibility for the operation of the Equipment for the duration of this Agreement. This sub-paragraph is set forth solely to conform with the FMCSA regulations and shall not be used for any other purposes, including any attempt to classify CONTRACTOR as an employee of CARRIER. Nothing in the provisions required by 49 C.F.R. § 376.12 (c)(1) is intended to affect whether CONTRACTOR or its drivers are an independent contractor or an employee of CARRIER. An independent contractor relationship may exist when a carrier complies with 49 U. S. C. § 14102 and attendant administrative requirements.

(b) Identification of Equipment. CARRIER shall identify the Equipment in accordance with the requirements of the FMCSA and appropriate state regulatory agencies. CARRIER shall have the right to place and maintain on the Equipment CARRIER's name and any lettering, advertisement, slogans, or designs as CARRIER may choose. CONTRACTOR shall not place any other identification in the Equipment during the term of this Agreement without CARRIER's prior consent. CONTRACTOR shall remove such identification at the termination of this Agreement. CONTRACTOR is not permitted to have the identification permanently painted on the Equipment. CONTRACTOR further agrees to keep the Equipment in clean appearance and identified as described herein.

16. CONTRACTOR NOT EMPLOYEE OF CARRIER. It is expressly understood and agreed that CONTRACTOR is an independent contractor for the Equipment and driver services provided pursuant to this Agreement. CONTRACTOR agrees to defend, indemnify, and hold CARRIER harmless for any claims, suits, or actions, including reasonable attorney's fees in protecting CARRIER's interests, brought by employees, any union, the public, or state or federal agencies, arising out of the operation of the Equipment or the providing of driver services under this Agreement. CONTRACTOR hereby assumes full control and responsibility for the setting of hours, wages and salaries, providing for unemployment insurance, state and federal taxes, fringe benefits, workers' compensation, adjustment of grievances, all acts of and omissions, and all other matters relating to or arising out of CONTRACTOR's employment or use of drivers and laborers, and any and all other employees or agents of CONTRACTOR that CONTRACTOR may provide or use to perform any aspect of this Agreement. CONTRACTOR shall be solely responsible for complying with any and all state and federal laws, rules and regulations that may be applicable to the terms and conditions of employment, including, without limitation, compliance with the Federal Fair Credit Reporting Act: verification of immigration and naturalization status; proof of proper taxpayer identification number; proof of payment of income; unemployment; Medicare and other state and

federal payroll taxes; and other required withholdings for CONTRACTOR's employees. CONTRACTOR's performance of these responsibilities shall be considered proof of its status as an independent contractor. For the purposes of this section, the term CONTRACTOR refers to the owner of the Equipment as well as drivers that may be operating the Equipment on behalf of the owner. As required by law, CARRIER agrees to file information tax returns (Form 1099) on behalf of CONTRACTOR if CONTRACTOR is paid more than the statutory amount in compensation during a calendar year.

17. BREACH. Notwithstanding anything to the contrary in this Agreement, this Agreement may be terminated, at any time, by either party in the event of a material breach by the other of any term or obligation contained in this Agreement. If, in CARRIER's judgment, CONTRACTOR has subjected CARRIER to liability because of CONTRACTOR's acts or omissions, CARRIER may take possession of the shipment entrusted to CONTRACTOR and complete the shipment. In such event, CONTRACTOR shall waive any recourse against CARRIER for all direct or indirect costs, expenses, or damages, including attorney's fees, incurred by CARRIER as a result of CARRIER's taking possession of the shipment and completing the shipment.

18. CONTRACTOR NOT REQUIRED TO PURCHASE PRODUCTS, EQUIPMENT, OR SERVICES FROM CARRIER. CONTRACTOR is not required to purchase, rent, or lease any products, equipment, or services from CARRIER as a condition of entering into this Agreement. In the event CONTRACTOR elects to purchase, rent or lease equipment from CARRIER or from any third party, for which the purchase, rental or lease contract gives CARRIER the right to make deductions from CONTRACTOR's settlement, then the parties mutually agree to attach and incorporate each such contract, specifying all terms thereof, to this Agreement as a separate addendum.

19. PASSANGER AUTHORIZATION. AS required by 49 C.F.R. § 392.60, CONTRACTOR shall not allow any passengers to ride in the Equipment unless authorized in writing by CARRIER as required by law. Before passenger authorization will be given by CARRIER, CONTRACTOR (or its driver) and the passenger requesting authorization shall submit a fully executed Passenger Authorization and Release of Liability form to CARRIER for prior approval.

20. CONFIDENTIALITY. CONTRACTOR hereby recognizes and acknowledges that any list of CARRIER's customers, as it may exist now or in the past or future or from time to time, is a valuable, special, and unique asset in the business of the CARRIER. CONTRACTOR agrees, during and after the term of this Agreement, not to disclose the list of CARRIER's customers or any part thereof to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever or to use for ones own personal use without CARRIER's prior written consent. CONTRACTOR agrees to preserve as "Confidential Matters", all trade secrets, know how and information relating to CARRIER's business, forms, processes, developments, sales and promotional systems, prices, and operations, which information may be obtained from tariffs, contracts, freight bills, letters, reports, disclosures, reproductions, books, records, or other contractors, and other sources of any kind resulting from this Agreement. CONTRACTOR agrees to regard such Confidential Matters as the sole property of CARRIER, and shall not use for ones own personal gain, publish, disclose, or disseminate the same to others without written consent of CARRIER. In the event of any breach or threatened breach by CONTRACTOR of the provisions of this paragraph, CARRIER shall be entitled to an injunction, restraining CONTRACTOR from disclosing, in whole or in part, the list of CARRIER's customers, and all other Confidential Matters. CONTRACTOR agrees that CARRIER will be irreparably damaged in the event of any breach of this provision by CONTRACTOR. Accordingly, in addition to any other legal or equitable remedies that may be available to CARRIER, CONTRACTOR agrees that CARRIER will be able to seek and obtain immediate injunctive relief in the form of a temporary restraining order without notice, preliminary injunction, or permanent injunction against CONTRACTOR to enforce this confidentiality provision. CARRIER shall not be required to post any bond or other security and shall not be required to demonstrate any actual injury or damage to obtain injunction relief from the courts. Nothing hereunder shall be construed as prohibiting CARRIER from pursuing any remedies available to CARRIER at law or in equity for such breach, including the recovery of monetary damages from CONTRACTOR.

21. FINAL SETTLEMENT UPON TERMINATION. Upon termination of this Agreement, CARRIER is authorized to deduct all amounts owed to CARRIER by CONTRACTOR under this Agreement and any appendix or addendum thereto, from CONTRACTOR's final settlement and escrow account. If additional amounts are owed to CARRIER by CONTRACTOR after such deductions, CONTRACTOR

agrees to pay CARRIER such additional amounts within thirty (30) days from the termination of this Agreement. Interest shall accrue on any such unpaid balances at a rate of 2% per month until full and final reimbursement is received by CARRIER. In addition, CARRIER will be entitled to recover its reasonable attorney fees and litigation costs in the event that CARRIER pursues litigation against CONTRACTOR in order to recover any unpaid balances or unreturned property.

22. BENEFIT AND ASSIGNMENT. This Agreement shall be binding upon and insure to-the benefit of the parties to this Agreement and their respective successors. CONTRACTOR may not assign or subcontract all or a portion of its obligation to another party without the prior written consent of CONTRACTOR.

23. NOTICE. All notice provisions of this Agreement shall be in writing delivered personally, by postage prepaid or first class mail to the address shown at the end of this Agreement.

24. NON-WAIVER. The failure or refusal of either party to insist upon the strict performance of any provision of this Agreement, or to exercise any right in any one or more instances or circumstances shall not be construed as a waiver or relinquishment of such provision or right, nor shall such failure or refusal be deemed a customary practice contrary to such provision or right.

25. SEVERABILITY. If any Agreement or its appendices is deemed invalid for any reason whatsoever, the Agreement shall remain otherwise binding between the parties. Any provision voided by operation of the foregoing shall be replaced with provisions, which shall be as close as the parties' original intent as permitted under applicable law.

26. GOVERNING LAW AND CHOICE OF FORUM. This Agreement is to be governed by, construed and enforced in accordance with the laws of the United States and of the State of Arkansas. CONTRACTOR consents to the exclusive jurisdiction and venue of the State and Federal courts located in Polk County, Arkansas in the event of any dispute between the parties, the State or Federal courts located in Polk County, Arkansas shall have exclusive jurisdiction and venue for purposes of litigating any disputes between the parties. If CONTRACTOR initiates a lawsuit against CARRIER in any court outside Polk County, Arkansas, CONTRACTOR agrees that such claim shall be dismissed and/or transferred to a court in Polk County, Arkansas and that CONTRACTOR hereby consents to the in persona jurisdiction of the State and Federal courts located in Polk County, Arkansas, and waives any and all defenses or challenges based on any such courts' alleged lack of jurisdiction or venue including, but not limited to, forum non conveniens. In the event CARRIER incurs attorneys' fees in an effort to enforce its rights under the terms of this Agreement, CONTRACTOR hereby agrees that CARRIER shall be entitled to recover all attorneys' fees and expenses incurred from CONTRACTOR.

27. COMPLETE AGREEMENT. This Agreement, including any Appendices attached, constitutes the sole, entire, and existing agreement between the parties herein, and supersedes all prior agreements and undertakings, oral and written, expressed or implied, or practices, between the parties, and expresses all obligations and restrictions imposed on each of the respective parties during its term, except those specifically modified or changed by mutual written agreement between CARRIER and CONTRACTOR.

IN WHITNESS WHEREOF, CARRIER and CONTRACTOR hereby sign this Agreement as of the date stated above.

CARRIER:

CONTRACTOR:

JLM Transportation, LLC

\_\_\_\_\_

\_\_\_\_\_  
(signature)

By: \_\_\_\_\_  
(signature)

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title. \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Date: \_\_\_\_\_

Phone/Cell \_\_\_\_\_



# RECEIPT FOR POSSESSION OF CONTRACTED VEHICLE(S)

Received from CONTRACTOR the vehicle or vehicles described in this agreement.

Truck#	MAKE	YEAR	SERIAL#	COLOR
--------	------	------	---------	-------


Trailer#	MAKE	YEAR	SERIAL#	COLOR
----------	------	------	---------	-------


By: \_\_\_\_\_ Date \_\_\_\_\_

(CARRIER Representative)

# RECEIPT FOR RETURN OF CONTRACTED VEHICLE(S)

Received from CARRIER the vehicle or vehicles described in this Agreement in good order.

Equipment received on \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

**CARRIER property to be returned:** (1) CARRIER Door Decals, (2) IFTA Stickers

(3) OTHER \_\_\_\_\_

Truck	Make	Year	Serial #	Color
_____				

Insurance will be canceled effective as of the termination date of this Agreement.

By: \_\_\_\_\_

(CONTRACTOR Representative)

\_\_\_\_\_  
Printed Name

# Appendix A

## **CONTRACTOR'S COMPENSATION AND CHARGEBACK AND DEDUCTION ITEMS**

1.) PERCENTAGE BASED COMPENSATION — Unless otherwise agreed to in writing between the parties, CARRIER shall pay based on the following amounts.

a) Percentage of the Line Haul Revenue Line haul revenue is defined as the amounts designated as line haul revenue by CARRIER in CARRIER's invoices.

- 85% of Line Haul
- 100% of billed and collected fuel surcharges (when noted on rate confirmation or separated in customer invoice)

b) Settlement Statements. CARRIER shall provide CONTRACTOR with a settlement statement showing all revenues earned and charge backs made on a regular basis (With each payment). CONTRACTOR specifically waives and releases CARRIER from any claims for additional compensation, or challenge to any charge back item unless CONTRACTOR notifies CARRIER in writing, by certified mail, of a dispute or questionable item within (90) days from CONTRACTOR's receipt of the settlement statement.

2.) CHARGE-BACK AND DEDUCTION ITEMS — The following items shall be charged back to or deducted from CONTRACTOR's compensation or from CONTRACTOR's escrow fund in the event that CONTRACTOR's compensation is insufficient.

Insurance Coverage-

-Amount Carrier Incurred for the purchase of Public Liability, Property Damage and Cargo Insurance obtained plus 7.1500% interest (if financed)  
-Also See Appendix B

Trailer Rental Fees

- 200.00/ Week Plus all maintenance Upkeep & Repairs, during the Duration of the Lease  
(See Appendix E)

Cargo Claim (each) paid for shortage, loss, or damage (see paragraph 10

- Amount CARRIER Incurred Up to the first \$2,500 of each claim.

Escrow Fund AND Trailer Maintenance Escrow Contribution (see Appendix C)

- Amount CARRIER Incurred \$100 weekly per fund until reach \$2500 each and \$100 per fund thereafter as needed to maintain balance if payments are made from account

Fines, Penalties, Court Costs, Attorney's Fees & other legal expenses (see Paragraph 9)

- Amount CARRIER Incurred

Fuel

- Amount CARRIER Incurred (Plus any transaction fees)

Fuel Taxes (see Paragraph 9)

– Amount Carrier Incurred

License Plates	- Amount CARRIER Incurred
Onboarding (DOT drug testing and background)	- Amount CARRIER Incurred
Signs/Decals/DOT Numbers	- Amount CARRIER Incurred
ELD, Goods, assessorial, PPE, equipment, or services purchased or leased from CARRIER.	- Amount CARRIER Incurred
Losses, damages, fines, penalties, court costs, attorney fees, and Other legal expenses relating to hold-harmless provision (see Paragraph 14) or breach of contract (see Paragraph 17)	- Amount CARRIER Incurred
State and local Tax and fees	- Amount CARRIER Incurred
Termination expenses, including reasonable attorney's fees, Involved in seeking the return of CARRIER's identification Devices and other property, including paperwork and freight. (See Paragraph 2)	- Amount CARRIER Incurred

CARRIER shall provide CONTRACTOR with a written explanation and itemization of any deductions for cargo or property damage before making them. With respect to all other chargebacks and deductions, CARRIER shall make available to CONTRACTOR, upon request, copies of those documents that are necessary to determine the validity of the charge-back or deduction. CONTRACTOR specifically waives and releases CARRIER from any claim related to any deduction made under this Appendix unless CONTRACTOR notifies CARRIER in writing, by certified mail, of such dispute or questionable deduction item within (90) days from the CONTRACTOR's receipt of CARRIER's settlement statement showing the deduction at issue.

This APPENDIX A is agreed to by the undersigned parties as of the latest date set forth below.

**CARRIER**

**CONTRACTOR**

JLM Transportation, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Appendix B

## INSURANCE AND ALLOCATION OF LIABILITY

1. CARRIER'S INSURANCE OBLIGATION. It shall be CARRIER's responsibility, pursuant to FMCSA regulations promulgated under 49 U.S.C. § 13906 and pursuant to applicable state laws, to provide public liability, property damage, and cargo liability insurance for the Equipment at all times while the Equipment is being operated on behalf of CARRIER. However, CARRIER's possession of such insurance shall in no way affect CARRIER's rights of indemnification against CONTRACTOR as provided by this Agreement. CONTRACTOR shall be responsible to reimburse CARRIER for the cost of such insurance and the deductible (if a claim is filed) for insurance purchased by CARRIER and for any loss or damage in excess of the policy limit.

2. CONTRACTOR'S INSURANCE OBLIGATIONS. CONTRACTOR shall maintain, at its sole cost and expense, the following minimum insurance coverage's during this Agreement.

(a) NON-TRUCKING LIABILITY - CONTRACTOR shall procure, carry, and maintain public liability and property damage insurance which shall provide coverage to CONTRACTOR whenever the Equipment is not being operated on behalf of CARRIER in a combined single limit of not less than One Million Dollars (\$1,000,000) for injury or death to any person or for damages to property in any one occurrence. **Carrier Must be listed as additional insured with waiver of subrogation**

(b) WORKERS' COMPENSATION/OCCUPATIONAL ACCIDENT INSURANCE. CONTRACTOR shall provide workers' compensation coverage for CONTRACTOR, all of its employees and agents, anyone driving the Equipment and qualified by CARRIER, and any other persons required to be covered under the workers' compensation law of any state that is reasonably likely to have jurisdiction over CONTRACTOR's business operations and in the amounts not less than the statutory limits required by such applicable state law. As evidence of such coverage, CONTRACTOR shall provide CARRIER with a copy of the insurance policy declarations page for CARRIER's verification before operating the Equipment under this Agreement.

(c) OTHER INSURANCE. In addition to the insurance coverages required under this Agreement, it is CONTRACTOR's responsibility to procure, carry and maintain any fire, theft, uninsured and/or underinsured motorist, and physical damage (collision), or other insurance coverage that CONTRACTOR may desire for the Equipment or for CONTRACTOR's health care or other needs. As provided in this Agreement, CONTRACTOR holds CARRIER harmless with respect to loss of or damage to CONTRACTOR's Equipment, trailer, or other property.

### 3. REQUIREMENTS APPLICABLE TO ALL OF CONTRACTOR'S INSURANCE COVERAGES.

CONTRACTOR shall procure insurance policies providing the above described coverages and CONTRACTOR shall not operate the equipment under this Agreement unless and until CARRIER has determined that the policies are acceptable. CONTRACTOR shall furnish to CARRIER written certificates obtained from CONTRACTOR's insurance carriers showing that all insurance coverages are being maintained, and the premiums thereof are paid. Each insurance certificate shall specify the name of the insurance carrier, the policy number, and the expiration date; list CARRIER as an additional insured with primary coverage; and show that written notice of cancellation or modification of the policy shall be given to CARRIER at least thirty (30) days prior to such cancellation or modification.

4. CONTRACTOR'S LIABILITY IF REQUIRED COVERAGES ARE NOT MAINTAINED. In addition to CONTRACTOR's hold harmless/indemnify obligations to CARRIER under this Agreement, CONTRACTOR agrees to defend, indemnify, and hold CARRIER harmless from any direct, indirect, or consequential loss, damage, fine, expense, including reasonable attorney fees, actions, claim for injury to persons, including death, and damage to property that CARRIER may incur arising out of or in connection with CONTRACTOR's failure to maintain the insurance coverages required by this agreement. In addition, CONTRACTOR, on behalf of its insurer, expressly waives all subrogation rights against CARRIER, and, in the event of a subrogation action brought by CONTRACTOR's insurer, CONTRACTOR agrees to defend, indemnify, and hold CARRIER harmless from such claim.

5. AVAILABILITY OF INSURANCE FACILITATED BY CARRIER. CONTRACTOR may, if it so chooses,

authorize CARRIER to facilitate on CONTRACTOR's behalf, the insurance coverages required or made optional by this Agreement. In any such case, CARRIER shall deduct, from CONTRACTOR settlement compensation, amounts reflecting all of CARRIER's expense and cost in obtaining and administering such coverage. In addition, if CONTRACTOR fails to provide proper evidence of the purchase or maintenance of the insurance required above, then CARRIER is authorized but not required to obtain such insurance at CONTRACTOR's expense and deduct, from CONTRACTOR's settlement compensation, amounts reflecting all of CARRIER's expense in obtaining and administering such coverage. CONTRACTOR recognizes that CARRIER is not in the business of selling insurance, and any insurance coverage requested by CONTRACTOR from CARRIER is subject to all of the terms, conditions, and exclusions of the actual policy issued by the insurance underwriter. CARRIER shall ensure that CONTRACTOR is provided a certificate of insurance (as required by 49 C.F. R. § 376.12) for each insurance policy under which the CONTRACTOR has authorized CARRIER to facilitate insurance coverage from the insurance underwriter. CONTRACTOR is responsible for reviewing each certificate of insurance issued to CONTRACTOR to ensure that CONTRACTOR obtained the insurance coverages required and requested by CONTRACTOR through CARRIER. CONTRACTOR waives and releases CARRIER from any claim related to insurance coverages purchased through CARRIER unless CONTRACTOR first notifies CARRIER in writing within ten (10) days from CONTRACTOR's receipt of the certificate of insurance. Any insurance coverage obtained through CARRIER under this provision shall automatically expire upon termination of this Agreement

THIS APPENDIX is agreed to by the undersigned parties as of the latest date set forth below.

CARRIER

JLM Transportation, LLC

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

CONTRACTOR

\_\_\_\_\_

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

# Appendix C

## **ESCROW**

As authorized by Paragraph 7 of this Agreement, CARRIER shall establish and administer an Escrow Fund, which CONTRACTOR and CARRIER agree shall be governed by the following terms and conditions:

1. PRINCIPAL. The amount of principal to be held in the Escrow Fund and Trailer Maintenance Escrow Fund shall be a minimum of \$5,000; \$2,500 per tractor leased under this Agreement, and \$2,500.00 for the Trailer Maintenance Escrow, which amount is to be deducted from CONTRACTOR's compensation at a total of \$100.00 for the Escrow Fund and \$100.00 for the Trailer Maintenance Escrow Fund every week beginning the first week of services provided by CONTRACTOR under this Agreement. If, at any time, the principal amount in either escrow falls below \$2,500.00 per fund CONTRACTOR authorizes CARRIER to deduct from CONTRACTOR's compensation a maximum amount of \$100.00 per week until the full principal amount is replenished.

A) SPECIFIC ITEMS TO WHICH ESCROW FUND MAY BE APPLIED. The Escrow Fund shall be held by CARRIER for the purpose of insuring compliance with the provisions of the Agreement. The specific items to which the Escrow Fund shall apply are all advances, expenses, taxes, fees, fines, penalties, damages, losses, or other amounts paid, owed, or incurred by CARRIER, or owed by CONTRACTOR to a third party under a purchase or rental contract, that are CONTRACTOR's responsibility under this Agreement — specifically, the charge back and deduction items set forth in Appendix A and other appendices (hereinafter "Escrow Items")- to the extent that the amounts owed by CONTRACTOR for such Escrow Items exceed CONTRACTOR's earned and payable compensation at the time of any settlement or final accounting.

B) SPECIFIC ITEMS TO WHICH TRAILER MAINTENANCE ESCROW FUND MAY BE APPLIED. The Trailer Maintenance Escrow Fund shall be held by CARRIER for the purpose of insuring compliance with trailer safety, maintenance, and upkeep. The Trailer Maintenance Escrow Fund shall apply to all trailer repairs (mechanical and cosmetic), scheduled and unscheduled maintenance, upkeep, fees, fines, and penalties. This will include but is not limited to tires, brakes, hubs, wheels, doors, airbags, lights, insurance deductible etc.; as well as any other amounts owed or incurred by CONTRACTOR. It will also include damages or losses from negligence incurred by the CONTRACTOR.

2. ACCOUNTING. While the Escrow Fund and Trailer Maintenance Escrow Fund is under CARRIER's control, CARRIER shall provide an accounting to CONTRACTOR of all transactions involving such funds by clearly indicating in settlement sheets the amount and description of any deduction or addition made to the Escrow Fund or the Trailer Maintenance Escrow Fund.

3. FINAL SETTLEMENT. Contractor must be leased on for a minimum of 90 days to have any remaining balance in the Escrow Fund and Trailer Maintenance Escrow fund returned following termination of the agreement. CONTRACTOR must first comply with all the specific obligations set forth in the Agreement and make payments to CARRIER for all Escrow Items. To have any remaining balance in the Trailer Maintenance Escrow Fund returned following termination of the Agreement CONTRACTOR must comply with all the specific obligations set forth in the Agreement and an Inspection by CARRIER as well as making payments to CARRIER for all Trailer Maintenance Escrow Fund Items. At the time of the return of any remaining balance in the Escrow Fund and Trailer Maintenance Escrow Fund, CARRIER may deduct monies for all Escrow Items. Such deductions shall be limited to amounts CARRIER actually spends, incurs, or owes to a third party, or that CONTRACTOR owes to CARRIER or a third party under a purchase or rental contract, before termination of this Agreement or, with respect to any CONTRACTOR obligation triggered by termination, including any expenses (including reasonable attorneys' fees) incurred by CARRIER in seeking the return of its identification devices and other property, all amounts CARRIER actually spends, incurs, or owes to a third party upon termination or within forty-five (45) days thereafter. CARRIER shall provide a final accounting to CONTRACTOR of all such final deductions made from the Escrow Fund and Trailer Maintenance Escrow Fund within forty-five (45) days from the date of termination of the Agreement.

4. RETURN OF ESCROW BALANCE. In no event shall the Escrow Fund or the Trailer Maintenance Escrow Fund, less any final deductions pursuant to the above provision, be returned to CONTRACTOR later than forty-five (45) days from the date of termination of this Agreement. All CARRIER property, including but not limited

to, driver logs, bill of ladings, trailer, and cargo, must be returned, before final settlement of the Escrow Fund and Trailer Maintenance Escrow Fund. If such property is not returned to CARRIER within forty-five (45) days from the date of termination, CARRIER may deduct the amount of the missing items from the escrow balance. CARRIER's use, or post-termination return to CONTRACTOR, of any balance in the Escrow Fund shall not constitute a waiver of CARRIER's right to recover, through arbitration or other available legal means, any additional amounts CONTRACTOR owes, or comes to owe, CARRIER under this Agreement.

THIS APPENDIX C is agreed to by the undersigned parties as of the latest date set forth below.

CARRIER

CONTRACTOR

JLM Transportation, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Signature

BY: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Appendix D

# HANDHELD DEVICE POLICY

### JLM Transportation, LLC DOES NOT REQUIRE OR ALLOW HANDHELD MOBILE TELEPHONE USE WHILE DRIVING A CMV IN INTERSTATE COMMERCE

Effective January 3, 2012, FMCSA and PHMSA passed a rule banning "HANDHELD" cellular device usage while driving a commercial motor vehicle. The definition of a handheld cellular device according to FMCSA is any communication device that utilizes cellular technology requiring you to take one of your hands off the wheel to use. This would also include push to talk, Nextel Direct Connect, chirp, and GPS on the phone.

Federal regulation, as codified in 49 C.F.R. § 392.82, prohibits the use of handheld mobile telephone by drivers operating commercial motor vehicles ("CMVs"). The rule prohibits the following actions while driving a CMV.

- Using at least one hand to hold a mobile telephone to conduct a voice communication.
- Dialing or answering a handheld mobile telephone by pressing more than a single button.
- Reaching for a mobile device in a manner that requires a driver to maneuver so that he or she is no longer in a seated driving position, restrained by a seat belt that is installed in accordance with federal regulations that has been adjusted in accordance with the manufacturer's instructions.

For purposes, of the rule, "driving" means operating a CMV on a highway, including while temporarily stopped in traffic because of a traffic control device or other momentary delay. "Driving" does not include operating a commercial motor vehicle when the driver has moved the vehicle to the side of, or off, a highway and has halted in a location where the vehicle can safely remain stationary (please note, however, that pulling to the side of a highway may not, in some instances, be allowed under applicable law).

Violations can result in a civil penalty against the driver of up to \$2,750, in addition, drivers convicted of violating this rule twice in a three-year period are subject to a disqualification by state or federal authorities from driving a CMV for 60 days. Three violations of this rule in any 3-year period results in disqualification for 120 days. Additionally, violation of state or local rules restricting or prohibiting the use of handheld telephones while driving can also result in disqualification. Two violations in a 3-year period against a driver will result in fines plus 60-day CDL suspension. Three violations in a 3-year period will result in fines plus 120-day CDL suspension.

A driver's violation of the handheld ban may affect the driver's personal PSP score and will also affect the motor carriers CSA score. Violations on that scale are punishable by ten (10) points under the Unsafe Driving basic. Remember, CSA violations stay on the drivers PSP record for 3 years and the motor carriers record for 2 years.

Four principal areas everyone needs to make sure

Commercial Motor Vehicle: Any motor vehicle with a GVWR of 10,000 lbs. or greater.

Dialing: Dialing a mobile telephone while operating a CMV in interstate commerce is prohibited by the rule. A driver can initiate, answer, or terminate a call by touching a single button on a mobile telephone, earpiece, steering wheel, or instrument panel — comparable to using vehicle controls or instrument panel functions, such as the radio or climate control system.

Reaching: In order to comply with this rule, a driver must have his or her mobile telephone located where the driver is able to initiate, answer, or terminate a call by touching a single button, push to talk, while the driver is in the seated driving position and properly restrained by a seat belt. If the mobile telephone is not close to the driver and operable while the driver is restrained by properly installed and adjusted seat belts, then the driver is considered to be reaching for the mobile phone, which is prohibited by the rule.

Idling: Handheld devices may be used when the tractor is idling. This would be allowed at truck stops, customers warehouses, etc. You are not idling in traffic jams, waiting on trains, or any other time you are on the road. A driver must be off the roadways to be considered idling.

Upon request, JLM Transportation LLC will provide a copy of the Frequently Asked Questions (FAQ) — Ban on Handheld Cellular Phones, which is published by the Federal Motor Carrier Safety Administration on its website and provides further explanation regarding the new rule. As a commercial motor vehicle driver and Contractor operating under JLM Transportation, LLC's operating authority, you are required to be aware of and knowledgeable on this rule and any changes to the rule. Take the time to review the rule, the frequently asked questions, and the answers. Above all, you are required to comply with the rule at all times.

I have read and understand that the handheld cellular phone rule is part of JLM Transportation, LLC's safety policy and the rule will be strongly enforced by JLM Transportation, LLC and Federal, State, and Local Law Enforcement. I also understand any violations against this policy will result in disciplinary action up to and including lease agreement termination.

THIS APPENDIX D is agreed to by the undersigned parties as of the latest date set forth below.

## CARRIER

## CONTRACTOR

JLM Transportation, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ACKNOWLEDGMENT AND AGREEMENT  
WITH RESPECT TO DRUG AND ALCOHOL TESTING PLAN FOR  
JLM Transportation, LLC**

I \_\_\_\_\_ the undersigned employee of JLM Transportation, LLC, hereby certify that I have been furnished with a copy of the company's drug and alcohol testing policy in addition to the companies DOT Alcohol and Drug testing program, including its Employee Assistance Program, and that I have read and understand same.

I further certify that I have been provided with information and material, education and training on the dangers and problems of drug and alcohol misuse.

I am fully aware, and agree that I may be discharged or otherwise disciplined for any violation by me of said companies or DOT's Drug and Alcohol policy, for any failure or refusal to provide urine and /or breath specimens when requested by my employer, for the failure or refusal to identify and certify same, for the failure to cooperate with the forms and other documents, and/or for any other failure or refusal to Cooperate with my employer in its said company or DOT Alcohol and Drug Testing Program.

Executed this, \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

---

Employee Name (Please Print)

---

Employee Signature

---

Social Security Number