

MASTER LEASE AGREEMENT
(49 C.F.R. part 376)

This Lease Agreement made and entered into this the _____ day of _____, 20____, by and between _____, DOT # _____ Alabama Corporation, (hereinafter called "Carrier"), and _____ an individual or a corporation, (hereinafter called "Independent Contractor").

Independent Contractor, being the owner of the equipment made the subject of this lease agreement, hereby rents, leases and delivers unto the Motor Carrier the following described equipment:

Equipment Type (Tractor/Trailer)	Make	Year	Model	Serial Number

(And all accessorial equipment, including tarps, chains, and binders.)

For And In Consideration of the mutual covenants, stipulations and Agreements, and the rest to be paid, as hereafter provided. Independent Contractor hereby agrees to furnish, upon receipt of Motor Carrier, the Equipment described above and all labor to operate the same, and to perform all necessary services in the transportation of such commodities as Motor Carrier may provide as hereinafter set forth.

RATES. In consideration of the furnishing of the Equipment and all labor and other services necessary to perform Independent Contractor's obligations hereunder. Motor Carrier agrees to make a Contract payment to Independent Contractor on truck load or volume shipments as follows:

_____ % of the line haul revenues generated on freight delivered on Carrier's behalf when Contractor is pulling Motor Carrier's trailer.

Which Contract payments shall be made within (15) days after Independent Contractor has delivered to Motor Carrier all documents as required by Section 5 of this agreement. Motor Carrier agrees to furnish to Independent Contractor a computer-generated document containing the information included on the freight bill.

1. **Condition of Equipment.** Independent Contractor warrants that the said equipment, including all accessories and parts, is in safe mechanical and operating condition, in complete compliance with the Federal Motor Carrier Safety Administration, (hereinafter called "FMCSA") rules and regulations relating to safety, and that such equipment will be so maintained by Independent Contractor during the term of this Agreement. Independent Contractor further warrants that he is the owner of the equipment, is properly licensed, and that the equipment meets requirements of all rules and regulations

of all regulatory authorities, as well as all statutes, ordinances or other laws of all local, State or Federal governmental authorities having jurisdiction.

2. **Operating Costs.** Independent Contractor agrees to pay the entire cost of operating the equipment except as otherwise specifically provided in this Agreement, including the wages and other payments due by reason of Independent Contractor's employment of drivers or other labor, and including, but not limited to all payroll taxes, unemployment taxes, social security contributions, workers' compensation (if any), all fuel tax payments, road taxes, equipment use fees or taxes, equipment license fees, claims for cargo shortage, cargo damage, wrecker charges, fuel, gasoline, tires, parts, repairs, greasing, tarpaulins, tolls, ferries, fine (for any cause), empty mileage, permits of all types, driver's salary, any detention and accessorial charges, and any fees, penalties, fines, tools or taxes that may be assessed against said equipment or service, or against Independent Contractor, his agents, servants or employees. Independent Contractor will pay for state license and tags on said Equipment and pay collision, fire, and theft insurance on said Equipment.

If carrier is required to pay any tax or cost of operating or maintaining said vehicle or fines for releasing equipment or cargo, at Carrier's sole discretion, it is understood that such payment by Carrier is for Independent Contractor, and Independent Contractor agrees to reimburse Carrier, or Carrier may at its option, withhold such sums from any monies due Independent Contractor to cover such payment (including without limitation the Deposit). Independent Contractor hereby specifically authorizes Carrier to withhold payment of any monies due him for any breach of these provisions in this Section 2 that may require expenditures on the part of Carrier, or results in losses or damages to Carrier, including loss of freight charges, loss or damage to cargo transported or property of Carrier or third persons, and such monies shall be applied by Carrier to cover such loss or damage.

3. **Deposit with Carrier.** Independent Contractor has deposited, or will deposit One Thousand Five Hundred Dollars (\$1500.00), (the "Deposit"), with Carrier in an escrow fund, to guarantee the performance of all provisions of this Agreement, and agrees to reimburse Carrier for any expense incurred as a result of Independent Contractor's violation of any provision contained herein, or such expense shall be deducted from the Deposit. The remainder thereof, if any, shall be refunded to the Contractor not less than (30) days after termination of this Agreement. This 30 day period shall begin on the day in which the name of Carrier is entirely removed and manifests related thereto are returned to Carrier. While the Deposit and/or escrow fund remains under Carrier's control, Carrier agrees to provide Independent Contractor with an accounting of any transaction involving such escrow fund by indicating the amount and description of any deductions or additions made to the escrow fund in individual settlement sheets. Independent Contractor may at any time demand an accounting for transactions involving the escrow fund. Upon termination of this Agreement, Carrier agrees to furnish to Independent Contractor a final accounting of all final deductions made to the escrow fund.

In the event Independent Contractor becomes indebted to Carrier for amounts in excess of the Deposit, whether through advances or otherwise, Independent Contractor agrees that Carrier shall have a lien on the Equipment as security for the amount owed by Contractor to Carrier.

4. **Violations.** In the event the driver of said vehicle violates any rule or regulation of the FMCSA, D.O.T., or any Federal, State or any municipal law or ordinance, and as a result of such violation, Carrier is fined in any court, Independent Contractor will reimburse Carrier for such time and all expenses in connection therewith. Independent Contractor will also reimburse Carrier for any and all freight charges and "C.O.D." charges that the driver of said vehicle may collect and fail to remit to Carrier, and for any loss Carrier may sustain by reason of the driver delivery C.O.D. or "Order Notify Shipments" without first collecting amounts due.

5. **Contractor Documents and Collections.** Independent Contractor agrees, at his expense, to furnish Carrier with driver's current medical certificate and all original daily driver's logs and such other reports or forms as may be required by the FMCSA, the D.O.T. and all other local, Federal or State governmental authorities having jurisdiction and in such detail as may be required by applicable rules and regulations.

Independent Contractor agrees on delivery of any cargo transported by him to secure signed delivery receipt thereon and on completion of the trip to furnish same to Carrier. Carrier may direct Independent Contractor to furnish other reports, data and documents as Carrier may reasonably require.

Independent Contractor further agrees to collect all monies due Carrier for transportation service rendered pursuant hereto as specified by Carrier, and immediately upon receipt of said monies, Independent Contractor shall remit same to Carrier, and Carrier or its agent shall give Independent Contractor a receipt for same.

Should Independent Contractor or its agents or employees fail or refuse to comply with any requirements of this Section 5, Carrier may and is hereby authorized by Independent Contractor to, withhold any monies that may be due or payable to Independent Contractor (including without limitation the Deposit).

6. **Contractor Duties.** In Independent Contractor's sole discretion and without any need for prior approval or permission by Carrier, Independent Contractor shall (i) provide all labor and service herein provided for, or employ all necessary drivers (which drivers must be approved by Carrier in accordance with its standards as required by the FMCSA), helpers, mechanics or others competent and qualified to perform the work required hereunder, and meet the requirements of the rules and regulations of Federal, State and local regulatory authorities (ii) direct and control in all respects his employees, including selecting, hiring, supervising, firing, training, setting wages, hours and working conditions and paying and adjusting the grievances of his employees, (iii) determine the method, means and manner of performing this Agreement (including routes and hours of travel) and be responsible to Carrier for the proper performance thereof in accordance

with all applicable laws, ordinances, rules, and regulations of any jurisdiction whatsoever. Independent Contractor shall not represent to third parties that an agency or employment relationship exists between Contractor and Carrier.

7. **Accidents.** Independent Contractor agrees and warrants to Carrier that he will report or cause to be reported immediately, by telephone, any accidents, injuries, or property damage and cargo losses, damages or shortages, and this to be followed immediately by a full and complete written report in the form and manner required by the FMCSA and or Carrier, to Carrier's designated Safety Manager.

Independent Contractor further agrees that, should Carrier sustain any loss or damage by reason of Contractor's failure to report immediately the occurrence(s) provided in this Section 7, such losses or damages shall be borne by Independent Contractor, and Carrier is hereby authorized to deduct the amount thereof from any monies due or payable to Independent Contractor (including without limitation the Deposit.) Independent Contractor agrees that in all cases where a controversy arises with a shipper or a consignee, or their authorized representative, respecting the responsibility for, or the amount of, loss or damage, the Independent Contractor will accept any and all determinations and settlements made by Carrier. The Carrier will exercise due diligence in the settlement of said controversy.

8. **Cargo Claims.** Carrier will pay cargo insurance premiums to cover cargo loss and damage claims resulting from a wreck. However, any claims for breakage, shortage, damage by water and otherwise, the Independent Contractor will be responsible for the first \$1000.00 of such claim. In advance of any deduction for cargo damage, Carrier shall provide Independent Contractor with a written explanation and itemization of such deductions. Carrier reserves the right to deduct monies to cover such claims from amounts due Independent Contractor by Carrier.

9. **Defense of Claims.** Independent Contractor is obligated under this Agreement to make himself available, either during the term of, or after the termination of, this Agreement; or for any cause whatsoever arising in connection with or pursuant to the provisions of the Agreement.

10. **Return of Carrier's Trailer.** In the event either party desires cancellation of this Agreement, Independent Contractor agrees to return any trailer or equipment belonging to the Carrier to

Upon return of the trailer and any accessorial equipment belonging to the Carrier, Independent Contractor shall notify Carrier and obtain a receipt for the return of the equipment. If Independent Contractor fails to return the trailer or any accessorial equipment belonging to the Carrier then the cost of having the trailer and equipment transported to Birmingham, Al will be assessed against the Independent Contractor and deducted from any amounts due the Contractor (including without limitation the Deposit).

11. Damage to Contractor's Equipment. Independent Contractor agrees that Carrier shall not be held responsible for any damage to, loss or destruction of Contractor's Equipment caused by accident, collision, upset, negligence, fire, theft, act of God, or any other means whatsoever.

12. Damage to Carrier's equipment. Damages to Carrier's equipment, including without limitation abuse to tires mounted on Carrier's trailer or other accessorial equipment, beyond normal wear and tear, will be paid for by Independent Contractor.

13. Liability, Property, Workers Compensation and Bobtail Insurance. Pursuant to its legal obligation under 49 C.F.R. part 387 requiring Carrier to maintain insurance coverage for protection of the public, Carrier will pay all liability and property damage insurance premiums on the Equipment when used in accordance with the provisions of this Agreement, provided, however, such liability insurance shall not cover any use of the equipment when not on Carrier duty.

The Independent Contractor shall furnish, maintain, and keep in full force and effect at all times during period of this agreement, one of the following insurance coverages: (1) when required by law, worker's compensation insurance provided by an insurance company authorized to underwrite worker's compensation insurance by the State of Alabama Department of Industrial Relations covering Independent Contractor and all of its employees; or (2) if worker's compensation insurance is not required by law, Occupational Accident insurance covering Independent Contractor and all of its employees and drivers from an insurer approved by Carrier.

The Independent Contractor shall furnish, maintain and keep in full force and effect at all times during this agreement Bobtail Insurance covering public liability and property damage in the amount of \$1,000,000 combined single coverage.

Additionally, Independent Contractor agrees to provide Carrier, upon execution of this Agreement by Independent Contractor, valid certificates of coverage demonstrating that the insurance in question has been purchased and is in full force and effect.

14. Control of Equipment. Carrier shall have only such possession, control and use of the Equipment and shall assume responsibility in respect thereto, only to the extent required by the rules and regulations of the FMCSA and the D.O.T.

Independent Contractor hereby acknowledges and agrees that he is an Independent Contractor hereunder and neither Independent Contractor nor Independent Contractor's driver(s) shall be considered an employee of Carrier (including without limitation for Federal and State income tax and employment tax purposes and Federal and State laws regarding employment). Certain laws, rules, and regulations applicable to Carrier place obligations upon Carrier with respect to the public (i.e., safety) and Independent Contractor agrees to assume and comply with any requirement imposed by Carrier as a result of any such law, rule or regulation. Independent Contractor is not relinquishing

control of his business to Carrier, but merely assuming the responsibility and requirements that may be imposed upon the Carrier.

Additionally, Carrier and Independent Contractor agree that Independent Contractor may at any time contract with another carrier, provided however, Independent Contractor agrees to notify Carrier and must remove any indentifying names, decals, numbers or marks related to Carrier when working for other carriers. Contractor may not use Carrier's trailer or any of Carrier's accessorial equipment when contraction with other Carriers and Independent Contractor shall return Carrier's trailer prior to contracting with other carriers.

Independent Contractor and his employees shall not be eligible for any of Carrier's employee benefit programs and Independent Contractor shall have no claim against Carrier for any benefits, including without limitation health insurance, sick leave, minimum wage, overtime pay, retirement benefits, Social Security, workers' compensation, disability or unemployment benefits. Carrier shall not be required to withhold any of such taxes or payments from contract payments nor be liable for the payment of same to any Federal, State or municipal government or agency. Carrier shall indemnify and hold Carrier harmless from and against any and all liabilities, which Carrier may incur that are contrary to the express provisions of this Agreement.

15. Term of Agreement and Termination. This agreement shall be for a period of one year from the date of execution and from year to year thereafter until terminated.

Either party may cancel this Agreement at any time in writing or orally with written confirmation to be given within 48 hours of the time of the cancellation. Upon cancellation, the Carrier may withhold payment of Independent Contractor's last settlement until proof that all identification devices of the Carrier have been removed from the Independent Contractor's vehicle.

16. Miscellaneous Provisions.

(a.) **Independent Relationship:** None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any relationship between the Carrier and Independent Contractor other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither of the parties are agent of the other, and neither party has the right to bind the other by Contract or otherwise, except as herein specifically provided.

(b.) **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise.

(c.) **Governing Law:** This Agreement will be construed in accordance with and governed by the laws of the State of Alabama.

(d.) Severability: The clauses and paragraphs contained in this Agreement are intended to be read and construed independently of each other. If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

(e.) No Waiver by Carrier: The failure of the Carrier to exercise any right under this agreement shall not be deemed to constitute a waiver of such right by the Carrier.

(f.) Assignment Invalid unless approved by Carrier: The Independent Contractor shall not assign this agreement or any rights under this agreement without prior written consent of the Carrier.

(g.) General Provisions: Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

IN WITNESS WHEREOF, the parties have executed this agreement in Birmingham, Alabama, by duly affixing their signatures under hand and seal on the date herein above first written.

Signature of Independent Contractor

Independent Contractor Name – Printed

Address

City, State, Zip

Company Representative

Company Representative

Title

State of Alabama)
)
)

I, the undersigned, a Notary Public in and for the said state, do hereby certify that _____ and _____ whose names are signed to the foregoing agreement and who are personally known to me, acknowledged before me and my official seal of office, that they did execute the same voluntarily on the day the same bears date.

Given under my hand and official seal of office on this the ___ day of _____ 20__.

NOTARY PUBLIC
My commission expires _____

Maintenance Fund Withholding Authorization

I hereby authorize _____ Inc. to deduct from my weekly compensation settlement an amount of _____ per week until a total amount of _____ is reached. * This money will be held in escrow by _____ for my use for the maintenance and repair of my tractor or trailer.

Date: _____

Independent Contractor Signature

Company Representative

* The maximum amount held in the maintenance fund may not exceed Two Thousand Five Hundred Dollars (\$2500.00).

Escrow Deposit Withholding Authorization

I understand and agree that the terms of my lease agreement with _____ Inc. require that I deposit and maintain One Thousand Five Hundred Dollars (\$1500.00) in an escrow fund with R M Logistics, Inc. to guarantee the performance of all provisions of the lease agreement.

In order to satisfy the aforementioned requirement, I expressly authorize _____, Inc. to deduct from my weekly compensation settlement an amount of Two Hundred Dollars (\$200.00) per week for a period of seven (7) consecutive weeks, with a final deduction of One Hundred Dollars in the eighth week for a total of One Thousand Five Hundred dollars (\$1500.00). Per my lease agreement, this money will be held in escrow by _____ Inc.

If at any time, because of deductions made pursuant to the lease agreement, my escrow fund falls below the required amount of One Thousand Five Hundred Dollars (\$1500.00), I expressly authorize _____, Inc to deduct from my weekly compensation settlement an amount of Two Hundred (\$200.00) per week until my escrow fund balance returns to the required level.

Date: _____

Independent Contractor Signature

Company Representative