



Lease and Independent Contractor Agreement

THIS AGREEMENT, entered into this day _____ by and between Jordan Logistics LLC. at the address of 4494 FM 604 South, Clyde, TX 79510, Telephone # 325-899-2262 and 325-439-8399, US Department of Transportation Number: 1888187 (Hereinafter referred to as "Carrier"), and (name) _____, at the address _____

Telephone# _____ SSN# _____

Driver License# _____ Expiration Date _____ (Hereinafter referred to as "Contractor")

1. **Purpose:** Carrier, which is an authorized for-hire Motor Carrier, wishes to engage independent business to assist in conducting motor carrier business. Contractor wishes to enter into an independent contractor relationship with Carrier. Carrier and Contractor (collectively the "Parties") wish to enter into this Lease and Independent Contractor Agreement (the "Agreement") pursuant to the terms and conditions of 49 C.F.R. § 376.
2. **Effective Date:** The terms and conditions contained in this Agreement and the obligations and liabilities of Carrier and Contractor hereunder shall become effective and binding on the date first appearing above.
3. **Equipment:**
 - A. Contractor shall provide and lease to Carrier, pursuant to the terms and conditions of this Agreement, the motor vehicle equipment listed below (the "Equipment"). Contractor represents and warrants that he/she is an owner of the Equipment pursuant to 49 C.F.R. § 376.2 and is authorized to lease the Equipment and provide services to the Carrier during the term of this Agreement.
 - B. Contractor agrees to deliver to Carrier the Equipment in good running order and DOT Compliant and shall furnish, at Contractor's sole expense, all necessary fuel, oil, maintenance, repairs, and pay any and all fuel, mileage, use, IFTA Taxes, and third structure taxes imposed by and governmental authority except if specifically stated otherwise in this Agreement.
 - C. During the Term, Contractor shall be responsible for all fuel costs for the Equipment. All fuel used in the operation of the Equipment under this Agreement shall be purchased in Carrier's name with Multi Service Fuel Card (or other similar fuel card) that Carrier shall Provide Contractor.
 - D. Contractor shall insure that the Equipment is identified with the Carrier's name and U.S. Department of Transportation ("DOT") number prior to conducting any services on behalf of Carrier.

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Description of Leased Equipment:

Unit# _____ Year: _____ Serial # _____
Make: _____ Model: _____

Trailer: _____

Unit# _____ Year: _____ Serial # _____
Make: _____ Model: _____

Trailer: _____

Unit# _____ Year: _____ Serial # _____
Make: _____ Model: _____

Trailer: _____

4. **Receipt:** Upon execution of this Agreement, Carrier shall furnish to Contractor a receipt for the Equipment specifically identifying the Equipment and the date and time of day possession is transferred, which shall constitute the receipt required by 49 C.F.R. § 376.11(b). No similar receipt will be required upon termination of this Agreement, and the Parties agree that the Agreement and Carrier's obligations regarding this Agreement shall immediately expire upon such termination of this Agreement.

5. **Term of Agreement:**

A. The Agreement shall commence on the _____ day of _____, 2018

B. The initial term of this Agreement (the "Term") shall be one (1) year beginning at the commencement date and time described above. The Agreement shall automatically renew for one-year periods after the conclusion of the initial term and continue unless the Agreement is terminated by either party as set out below in Section 19.6

C. The Contractor Agrees to a "Non-Compete" for the duration of this lease agreement and for an additional 6 months following the termination of this lease agreement.

The Contractor agrees not to haul any other material or product for any other company other than Jordan Logistics, LLC unless previously agreed to by all parties involved in this lease agreement. Doing so will be cause for immediate termination of the lease between Jordan Logistics, LLC and the contractor and a "De Lease" will be issued to the contractor.

6. **Equipment Possession, Control, Use, And Responsibility:**

A. Carrier shall maintain exclusive possession, control, and use of the Equipment for the duration of the Term and while Contractor is leasing the Equipment to Carrier under the terms of this Agreement.

B. Carrier shall assume complete responsibility for the operation of the Equipment for the duration of the term and while Contractor is leasing the Equipment to Carrier under the terms of this Agreement.

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C. For the duration of the Term and while Contractor is leasing the Equipment to Carrier under the terms of this Agreement, Carrier shall be considered the owner of the Equipment for the purpose of subleasing the Equipment to other authorized motor carriers.

D. These provisions in this Section 5 are set forth solely to conform with Department of Transportation ("DOT") regulations and is not intended to be used for any other purpose. Nothing in this Section 5 of this Agreement is intended to affect the independent contractor status of the Contractor or any driver provided by the Contractor. As specified in 49 C.F.R. § 376.12, the requirement that an authorized motor carrier maintain exclusive possession, control, and use of an owner-operator's equipment is not intended to be used as evidence that the owner-operator is an employee of the authorized carrier.

E. A copy of this Agreement shall be carried in the Equipment at all times and a second copy shall be provided to the Contractor.

7. Independent Contractor Status:

A. The Parties intend and agree that this Agreement shall create an independent contractor relationship between the Parties. The Agreement does not create a master-servant, employer-employee, or principal-agent relationship. Neither Carrier nor Contractor shall have the right to bind the other by contract. Contractor assumes full and complete responsibility for all of the work it shall complete for Carrier under this Agreement. Contractor will assume full and complete responsibility for all workers utilized by it in the performance of all obligations under this Agreement.

B. In recognition of the independent contractor relationship which exists between the parties, it is acknowledged that contractor has the right to determine the manner and means of performing all work hereunder. In addition, Contractor has the right to decide what work to perform under this Agreement, provided, however, that when work is accepted by Contractor, the work will be performed in accordance with the terms of this Agreement, the requirements, if any, of Contractor's customers, and applicable law. In no event will and contracts or statements of Carrier or its employees be deemed, construed, or implied to control, direct, or infringe on Contractor's right to control or actually control the manner and means of Contractor's performance of services under this agreement.

C. Contractor agrees to fulfill all obligations related to federal, state and local income, withholdings and employment, and Federal Highway Use taxes. Contractor agrees to provide carrier with evidence of such requirements at any reasonable time within seventy-two (72) hours of Carrier's request.

D. CONTRACTOR FURTHER AGREES TO DEFEND, INDEMNIFY, AND HOLD CARRIER HARMLESS FROM ANY CLAIMS, DEMANDS, SUITS, OR ACTIONS BROUGHT BY ANY WORKERS, AND UNION, ANY ENTITY, THE PUBLIC, OR STATE, PROVINCIAL, OR FEDERAL AGENCIES, ARISING OUT OF THE OPERATION OF THE EQUIPMENT, AND OTHER WORK OPPORTUNITY AFFORDED CONTRACTOR BY CARRIER, OR PROVISION OF DRIVER SERVICES PURSUANT TO THIS AGREEMENT.

8. Compensation:

A. In consideration of the leasing of the Equipment as well as the provision of driver services, Carrier agrees to pay Contractor a sum equal to Eighty-two percent (82%) of the total gross amount of payment received by Carrier per load hauled by Contractor. Contractor shall not be compensated in any other way or for any other duties, including but not limited to, for any out-of-route miles, bobtail, or deadhead miles unless said miles are considered part of the hauled load.

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B. Carrier will give Contractor, before or at the time of settlement, a copy of the freight bill or a computer-generated document containing the same information, or any other form of documentation actually used for a shipment containing the same information that would appear on a rated freight bill. Contractor may also view, during normal business hours, a copy of any actual document underlying any computer-generated documents for settlement purposes. Contractor may examine Carrier's tariffs, if any, 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.

C. The Contractor is responsible for loading and unloading the property onto and from the Equipment, and the Compensation, if any, to be paid for this service is included in the above stated percentage of the total gross amount of payment received by Carrier per load hauled by Contractor.

9. **Payment Period:** Payment to Contractor shall be made within fifteen (15) days provided that Contractor correctly submits to Carrier the necessary and proper delivery documents and other paperwork concerning a trip in the service of Carrier, pursuant to the regulations of the DOT and those documents necessary for the Carrier so secure payment from shipper.

10. **Escrow Items:**

A. Contractor shall be solely responsible and bear the burden for all repairs for the Equipment. Contractor shall keep the Equipment in good condition, repair and appearance and shall comply with all the manufacturers recommended procedures in this regard. In addition, Contractor shall maintain the Equipment in compliance with all applicable Federal, State and local safety, environmental and other rules and regulations, Contractor shall not alter or modify the Equipment in any manner that adversely affects its value. All parts installed, and any modifications and alterations made in the course of the ordinary maintenance and repair of the Equipment shall become the property of Carrier and shall remain the property of Carrier upon termination of this Agreement. Unless otherwise provided herein Contractor waives any privacy interests which may arise or exist in data collected by storage devices contained within or on the Equipment, including, but not limited to, the electronic control module.

B. Contractor shall obtain a two thousand (\$2000) dollar escrow. Contractor agrees to solely bear the burden of payment for all applicable escrow for the Equipment. Contractor agrees that Carrier shall purchase this applicable escrow for the Equipment and maintain such; but Contractor shall reimburse Carrier for this cost of applicable escrow. Carrier will take payments of four hundred (\$400) dollars per week, until escrow is reimbursed.

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11. **Charge-Back & Cost Responsibility:**

A. Carrier shall charge back to Contractor at the time of payment settlement any expenses Carrier has borne that, under this Agreement, Contractor is obligated to bear. Such expenses shall be deducted from the amount of Contractor's settlement pursuant to 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 plus any administrative fees disclosed in this Section and elsewhere in this Agreement.

B. Carrier shall provide Contractor with a written explanation and itemization of any deductions for cargo or property damage before making such deductions from Contractor's settlement payments. With respect to all other chargebacks and deductions, Carrier shall make available to Contractor, upon request, copies of all documents

Carrier utilized to determine the chargebacks and deductions. If Carrier adjusts Contractor's settlement payment through deductions or chargebacks, Contractor will be notified of such by fax, email, or other notice.

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Contractor shall be afforded one hundred and twenty (120) hours after such notice, or such later time as is set forth in the notice, to object to the deductions or chargebacks. Contractor's failure, by the end of the 120-hour period after such notice, to notify Carrier of any objection to the deductions or chargebacks, shall constitute Contractor's express consent and authorization to Carrier to modify the settlement payment regarding deductions and charge-backs.

C. Contractor is responsible to provide and pay for base plates, Permits of all types, federal highway use tax, fuel costs, fuel tax, empty mileage, tolls, ferries, detention and assessorial services, and licenses, and any unused portions of such items. Contractor is Liable for Carrier's Deductible upon receiving Insurance through Carrier

D. Contractor is responsible for removing any and all identification devices from the Equipment upon the termination of this Agreement and shall deliver such identification devices, other than those painted directly on the Equipment, back to Carrier within seven (7) days of the termination of this Agreement. If any Identification device has been lost or stolen, a letter certifying its removal will satisfy this requirement. Until Contractor complies with this condition, Carrier may withhold final settlement. Carrier may also require the submission of additional documents by contractor, but submission of such is not, nor a timeline of such, is a condition for final settlement.

E. If this Agreement is terminated for any reason or by either party, and if Contractor has left any property belonging to Carrier, including but not limited to any undelivered loads, at a location other than Carrier's Clyde, TX location stated above, or at the pre-agreed destination, a deduction from final settlement of the actual cost incurred by Carrier in recovering the property and returning it to Carrier's facility, or the correct final destination, will be made.

F. If Contractor purchases excess fuel in a state ("State A") with a lower fuel tax than another state ("State B"), and if this results in Carrier having to send additional fuel tax payment to state B with higher rate, a deduction from Contractor's settlement shall be made for the excess of fuel tax for miles traveled in the higher State B by the Contractor over the fuel tax pre-paid by carrier in State B. If Contractor purchases excess fuel in a ("State A") with a higher fuel tax and uses this excess in another state ("State B") with a lower fuel tax and this results in Carrier receiving a credit, a refund for the amount of excess credit will be made to Contractor's settlement for the amount of prepaid tax paid by Carrier in State A.

G. Carrier will order and obtain a Motor Vehicle Report for the Contractor (or driver). Annual Motor Vehicle Reports will be paid by Carrier. Contractor (or driver) will be required to submit to a pre-qualification drug test as required by DOT regulations, the cost of which will be paid by Contractor.

12. Equipment Rental:

A. Contractor shall be responsible to carrier for any and all losses or damage to the equipment. Contractor agrees to pay carrier for each equipment.

B. Contractor promises to operate the equipment only in the normal and ordinary course of carrier's business and not in violation of any law, rule, regulation, statute or ordinance.

C. Carrier may at all times inspect the equipment and observe their use. Contractor, whenever requested by carrier may at all times inspect the equipment and observe their use. Contractor, whenever requested by carrier, shall advise carrier of the exact location of all the equipment and their condition. Carrier may immediately remove any equipment from any job site, building, or other place without notice or liability to contractor, if upon inspection, carrier determines in carrier's opinion that any of the equipment are being used beyond capacity or in any manner improperly cared for or abused.

D. Contractor shall notify carrier immediately of any accident or collision arising from the use of or otherwise involving any of the equipment. Contractor shall make a detailed report to carrier concerning such collision in writing as soon as practicable, by the most expedient means of communication available. Contractor further agrees to render any other assistance and any insurer in the investigation defense, or prosecution of any claims or suits.

E. In the event of any breach of agreement by contractor, contractor agrees to pay all rental due, damages for any injury to the equipment, cost of returning the equipment, to carriers possession, and all reasonable freight, storage, transportation, and other charges incurred by carrier. The remedies of carrier set forth in concurrently or separately. The exercise of one remedy does not include the exercise of any other remedy.

F. Contractor shall agree to price of rental equipment \$ _____ per week; will be taken out of weekly settlements.

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13. Miscellaneous Cost:

A. During the Term, Contractor shall be responsible for all miscellaneous costs associated with conducting independent contractor work, including but not limited to, Permits of all types, tolls, ferries, detention and accessorial services, base plates, and licenses. Unless otherwise specified, Contractor is and will be responsible for the loading and unloading of all freight transported under this Agreement.

B. Except when the violation results from the acts or omissions of the Contractor, the Carrier assumes the risks and costs of fines for overweight and oversize trailers when the trailers are per-loaded, sealed, or the load is containerized, or when the trailer or lading is otherwise outside of the Contractor's control, and for improperly permitted over-dimension and overweight loads and shall reimburse the Contractor for any fines paid by the Contractor.

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14. Insurance:

A. Contractor agrees to solely bear the burden of payment for all applicable liability insurance for the Equipment for the protection of the public pursuant to Federal and State regulations. Contractor agrees that Carrier shall purchase this applicable liability insurance for the Equipment and maintain such; but Contractor shall reimburse Carrier for this cost or agree to accept this cost of applicable liability insurance through chargebacks.

B. Contractor shall be responsible to provide all other insurance coverage for the operation of the Equipment, except for cargo insurance as contemplated in Section 14 of this Agreement, including but not limited to, collision insurance, collision repair, and cargo damage insurance. Carrier shall provide Contractor with a copy of each policy upon the request of Contractor. Carrier shall also provide Contractor with a certificate of insurance for each policy. Each certificate of insurance shall include the name of the insurer, the policy number, with effective dates of the policy, the amounts and types of coverage, the cost to the Carrier for each type of coverage, and the deductible amount to each type of coverage for which the Carrier may be liable.

15. Cargo Loss and Damage: Cargo insurance is to be provided by Carrier. Contractor agrees that it will indemnify the Carrier through deduction from Contractor's settlement, charge back, or direct payment for any

and all pilferage, spoilage, shortage, loss or damage to cargo while in possession of Contractor up to the amount of Carrier's cargo insurance deductible of \$1,000.00 or the amount Carrier has to indemnify the cargo insurance company (whichever is greater), if loss or damage resulted from the negligence, as determined by the Carrier, of Contractor or its agents or employees. The Carrier will provide Contractor with a written explanation and itemization of such deductions and showings the computation of each charge prior to making any deduction.

16. **Risk of Loss:**

A. **CARRIER SHALL NOT BE LIABLE FOR BODILY INJURIES, PERSONAL INJURY, LOST PROFITS, DOWN TIME, ENVIRONMENTAL IMPAIRMENT, OR BUSINESS INTERRUPTION TO CONTRACTOR OR ITS DRIVERS(S) OR DAMAGE TO THE EQUIPMENT DURING THE TERM OF THIS AGREEMENT. CONTRACTOR EXPRESSLY WAIVES ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION AGAINST CARRIER AS A RESULT OF THE DEATH OR INJURY OF CONTRACTOR AND/OR CONTRACTOR'S EMPLOYEES IN CONNECTION WITH THE PERFORMANCE OF CONTRACTOR, OR THIS AGREEMENT AND SHALL DEFEND AND INDEMNIFY CARRIER FROM ANY SUCH CLAIM BROUGHT BY ANY THIRD PARTY, INCLUDING, BUT NOT LIMITED TO, ANY DRIVER.**

B. **EXCEPT TO THE EXTENT CONTRACTOR'S ACTS OR OMISSIONS ARE COVERED UNDER THE PARTIES, RESPECTIVE INSURANCE POLICIES WITH NO EXPENSE TO CARRIER, CONTRACTOR AGREES TO DEFEND, INDEMNIFY, AND HOLD CARRIER HARMLESS FROM ANY DIRECT, INDIRECT, AND CONSEQUENTIAL LOSS, DAMAGE, FOR INJURY TO PERSON, INCLUDING REASONABLE ATTORNEY FEE, CLAIMS FOR INJURY TO PERSON, INCLUDING DEATH, AND DAMAGE TO CARRIER MAY INCUR ARISING OUT OF OR IN CONNECTION WITH THE OPERATION OF THE EQUIPMENT AND/OR ANY OF 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 THE TERM AND AFTER THE TERMINATION OF THE AGREEMENT.**

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17. **Reporting of Accidents and Claims:** Contractor warrants that during the term, he and any driver or entity working on his behalf shall promptly report all accidents, arrests, shortages, damages, and any other issue arising out of this Agreement as well as furnish a written report of such occurrences immediately, but not ever later than the end of the next business day. Contractor and its drivers will cooperate fully with Carrier in any legal action, regulatory hearing, or other similar procedure arising from the operation of the Equipment, the relationship created by this Agreement, and/or the services provided by the contractor or his employees. Contractor will, upon Carrier's request, provide written reports of affidavits, attend hearings and trials, and assist in securing evidence or obtaining the attendance of witnesses. Contractor will provide Carrier with any assistance that may be necessary for Carrier or Carrier's representatives or insurers to investigate, settle, or litigate and accident, claim, or potential claim by or against Carrier.

18. **Passenger Authorization:** As required by 49 C.F.R. § 392.60, written authorization must be obtained by Contractor prior to Contractor allowing passengers in the Equipment. Passenger insurance will be issued at the Contractor's Expense. No other unauthorized persons are allowed as passengers.

19. **Exclusive Possession and Responsibility:** Carrier shall have exclusive possession, control, and use of the Equipment from the Contractor for the duration of the Agreement. Subject to applicable laws and regulations, Carrier assumes complete responsibility for the operation of the Equipment for the duration of the Agreement. Carrier shall also be considered the owner of the Equipment for purposes of subleasing it under applicable regulations to other authorized carriers. This provision is set forth solely to conform with DOT regulations and is not intended to be used for any other purposes, including any attempt to classify Contractor or its drivers as employees of Carrier. As specified in 49 C.F.R. § 376.12©, the requirement that an authorized motor carrier maintain exclusive possession, control, and use of an owner/operator's equipment is not intended to be used as evidence that the owner/operator is an employee of the Carrier.

20. **Acceptance of Dispatch:** Acceptance of a freight load by the Contractor shall include acceptance of all responsibilities for the cargo, equipment, and routes traveled, including but not limited to, any and all freight claims, fines by any governmental authority, and the safe and proper delivery to and acceptance of cargo by the receiver. This Agreement does not obligate Contractor to accept for transportation every or any trip offered by Carrier to Contractor, nor does it obligate Carrier to offer and retain full discretion to accept or reject loads made available to him by Carrier. However, refusal by Contractor to accept a load that adversely affects customer service may be grounds for termination of this Agreement.

21. **Termination:**

A. This Agreement may be cancelled by either Contractor or Carrier, with or without cause, upon written, verbal, telephonic, fax, or E-mail notification to the other party. A written notice shall be sent after any non-written termination within five (5) business days of the termination.

B. In event of termination for any reason, the Contractor shall return to Carrier all permits, base plates, cab cards, signs, placards, and the Contractor's copy of this Agreement. All permit decals shall be destroyed and remains returned to Contractor. Carrier may withhold final settlement until such permit decals, or a certified letter stating the removal from the Equipment has occurred, has been received by Carrier from Contractor.

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If Carrier is authorized to receive a refund or a credit for base plates purchased by the Contractor from, and issued in the name of, the Carrier, or if the base plates are authorized to be sold by the Carrier to another Contractor, the Carrier shall refund to the Contractor on whose behalf the base plate was first obtained a prorated share of the amount received.

C. If termination occurs while Contractor is in possession of Carrier's load, the load shall be delivered in good condition by Contractor to the receiver with all proper paperwork remitted to Carrier in the same manner as if the Agreement were to continue in force.

D. If Contractor violates this Agreement in such a manner as to cause Carrier any liability to a consignor, consignee, or other entity such as improper termination of Agreement or failure to properly complete a shipment, Contractor agrees to reimburse Carrier for any costs or expenses incurred by Carrier, including but not limited to damages paid to consignor, consignee, or other entity.

E. In the event of termination for any reason, the Contractor shall return to Carrier all equipment that belongs to Carrier in the same condition as when received from Carrier, incurred by Carrier in cleaning the equipment or restoring it to good condition.

22. **Settlement Procedures:**

A. As stated in Section 8 of this Agreement, payment to Contractor shall be made within fifteen (15) days provided that Contractor correctly submits to Carrier the necessary and proper delivery documents and other paperwork concerning a trip in the service of Carrier, pursuant to the regulations of the DOT and those documents necessary for the Carrier to secure payment from the shipper.

B. The paperwork required before the Contractor can receive payment is limited to logbooks required by the DOT and those documents necessary for the Carrier to secure payments from the shipper. Carrier may require the submission of additional documents by the Contractor but not as a prerequisite to payment.

C. Payment to the Contractor shall not be made contingent upon submission of a bill of lading to which no exceptions have been taken.

D. Payment to the Contractor for demurrage is contingent upon Carrier being paid for demurrage. Demurrage will be paid to Contractor upon payment by the customer to the Carrier; if no payment is made to Carrier then no payments will be made to Contractor for the same.

23. **Contractual Responsibilities:**

A. Carrier agrees to make commodities available from time to time for transportation by the Contractor under the terms of this Agreement, although this shall not be construed as an agreement by Carrier to furnish any specific number of loads or pounds of freight for transportation by the Contractor at any particular time or any particular place.

B. It is agreed by Carrier and Contractor that Contractor assumes full and complete responsibilities for all employees employed by him in the performance of all duties and obligations under this Agreement.

C. Contractor recognizes that Carrier's business of providing motor carrier transportation services to the public is subject to regulation by the federal government acting through the DOT and that the form of this Agreement is governed by 49 C.F.R. § 376 and Ex Parte MC 43, the DOT, and by various state and local government. Contractor shall have the responsibility to the Carrier and provide verification when

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requested of satisfying regulatory requirements, including but not limited to:

- i. Maintaining any equipment in the state or repair required by applicable regulations; operating any equipment in accord with all applicable regulations; and hiring to operate the equipment only such drivers who have been verified by Carrier as being qualified under the applicable regulations.
- ii. Carrier may immediately terminate the Agreement with Contractor if a violation occurs; Contractor or sub-contractor shall determine the means and methods of the performance Of all transportation services undertaken by Contractor under the terms of this Agreement.

D. Contractor or its sub-contractors have and shall retain all responsibility including reporting and financial responsibility for: hiring, setting the wages, hours and working conditions and adjusting the grievances of, supervising, training, disciplining of all drivers, driver's helpers, and other workers necessary for the performance of the Contractor's obligations under the terms of this Agreement.

E. All drivers, driver's helpers, and other workers necessary for the performance of the Contractor's obligations under the terms of this Agreement are and shall remain the employees of Contractor or its subcontractors; and contractor shall be responsible for filing all federal, state, and local income, withholding, and employment and federal highway use tax forms and returns which may be required by law to file on account of itself and all drivers, driver's helpers and other workers used by Contractor in the performance of this Agreement at the time and place which may be specified in the applicable Federal, State, and Local Laws, and to pay when due all taxes and contributions reported in such forms and returns.

F. Contractor assumes full responsibility for the payment of all state and federal employment taxes, social security taxes, income taxes, including withholding of income tax for Contractor and Contractor's employees, Medicare and Medicaid taxes, any and all other income or employment taxes, and costs of occupational accident disability policy for himself or herself and his or her employees.

G. Proof of filing Federal Highway Use Tax must be provided to Carrier before a base plate will be issued by Carrier.

H. Contractor is responsible for selecting, purchasing, financing and maintaining the Equipment; paying all operating expenses, including all expenses of fuel, oil and repairs to the Equipment, detention, accessorial, road taxes, mileage taxes, fuel taxes, ferry service, fines which are a result of the acts of omission of the Contractor for parking, moving or weight violations, licenses, sales taxes or any other levies or assessments based upon the operating authority of Carrier and its connecting carriers with the exception, and subject in each case only to any regulatory requirements which may be placed on Carrier by various governmental agencies under 49 C.F.R. § 376.12(e); selecting all routes, except where special permits require governmental designated routes; and furnishing Carrier with such evidence of compliance with the foregoing.

I. **CONTRACTOR FURTHER AGREES TO SAVE AND HOLD CARRIER HARMLESS FROM ANY CLAIM BY DRIVERS, DRIVER'S HELPERS AND OTHER WORKERS USED BY THE CONTRACTOR, OR BY AND FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY ON ACCOUNT OF WITHHOLDING AND EMPLOYMENT TAXES, OR ANY OTHER ACTIONS ARISING FROM THE CONTRACTOR'S RELATIONSHIP WITH ITS EMPLOYEES; PROVIDING CONTRACTOR WITH PROOF, AS REQUIRED BY 49 CFR PARTS 383, 391, AND 392, THAT ALL OF CONTRACTOR'S DRIVERS HAVE MET THE CRITERIA OF FEDERAL**

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AND STATE REGULATIONS DEALING WITH DRIVER QUALIFICATIONS (PROOF SHALL BE IN THE FORM OF A COPY OF: (1) THE DRIVER'S LICENSE AND AN ABSTRACT OF VIOLATIONS; (2) PHYSICAL EXAMINATION REPORT INCLUDING DRUG TEST RESULTS IF TAKEN; (3) CERTIFICATE OF ROAD TEST AND WRITTEN TEST; (4) DRIVER'S QUALIFICATION AND IDENTIFICATION CERTIFICATE).

J. This required information shall be updated when any change occurs such as violations or loss of license subsequent to the date of this Agreement.

K. Contractor shall exercise all diligent efforts to conduct the operations under this Agreement in such a manner as to assure continued customer satisfaction by specifically; (1) completing deliveries on time; (2) loading and unloading at times requested by shipper; (3) delivering at the correct location; and (4) being courteous to shipper and consignee.

L. Contractor shall exercise all diligent efforts to qualify Equipment and drivers under Carrier's insurer's requirements and keep a certificate in Contractor's Equipment which identifies this agreement for the purpose of State or Federal Enforcement Agencies.

24. **Drug and Alcohol Testing:** All contractors must be subjected to DOT drug testing to qualify to operate the Equipment. Testing shall include random, post-accident, reasonable suspicion, new hire, and periodic. Contractor shall be responsible to assure that each Contractor and Contractor's employees are qualified through the U.S. Drug Testing requirements as administered by the Carrier. Costs for drug testing incurred by the Carrier will be paid by the Contractor.

25. **Covenant Not to Use Or Disclose Trade Secrets of Carrier:**

A. Contractor has contracted with Carrier to perform certain transportation functions for Carrier in connection with the development and distribution of Carrier's services and recognizes and acknowledges the proprietary nature of information received by Contractor from Carrier about the latter's method of operation, distribution of services, shipments, load on general service without Carrier's full agreement, customers, customer lists, and customer contact information.

B. It is understood agreed that all details, customer names, freight rates, instructions, lists, computer programs, and other work product used by Contractor or used in connection with Contractor's services with Carrier in connection with Contractor's hauling and other services, as contemplated above, are at all times the exclusive property of Carrier.

C. Contractor will not copy or reproduce or use in any way any details, instructions, lists, customer names, customer routes, shipper routes, or shipper names, or shipper rates, prepared or used by Carrier by or for Contractor in connection with trucking freight or trucking procedures or trucking billing during the Term of this Agreement or for three (1) years after ending of this Agreement.

D. Contractor recognizes and agrees that by reason of Contractor's leasing with Carrier, Contractor will acquire information concerning company methods, processes, operations, marketing programs, computer programs, future plans lists, customer names, customer routes, shipper routes, shipper names, shipper rates, prepared or used by any employee of Carrier or by or for Contractor in connection with trucking freight or trucking procedures or trucking billing, and that such information (hereafter referred to as("Confidential Information") is a valuable asset of Carrier and affects the effective and successful conduct of Carrier's business. If known to Carrier's competitors, such Confidential Information would give such competitors a competitive advantage.

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E. Contractor agrees that during the Term of the Agreement and for a period of one (1) year thereafter, Contractor will not discuss, disclose, describe, reproduce, or use in any manner Confidential Information of the Carrier.

F. It is further understood that a breach of any provisions shall entitle Carrier, in addition to other legal and equitable remedies available to it, to apply to a court of competent jurisdiction to enjoin any violation of this provision.

G. For purposes of this Agreement, Contractor includes an individual Contractor and any type of business entity (corporation, partnership, sole proprietor, trust, limited liability company, or other entity) in which Contractor directly or indirectly owns 50% or more, or directly or indirectly controls the operations.

26. **Lease Copies:** An original and two (2) copies of this Agreement shall be signed by the Parties. The Carrier shall keep the original copy of this Agreement. A copy of this Agreement shall be carried in the Equipment at all times and a second copy shall be provided to the Contractor.

27. **Dispute Resolution:** Any differences between Carrier and Contractor as to their rights or obligations under this Agreement that are not settled by mutual agreement after thorough discussion, shall be submitted for mediation in Callahan County, Texas. Texas law shall control all other provisions in this Agreement unless expressly preempted by United States statutes or United State Regulations.

28. **Governing Law:** All parties to this Agreement agree that this Independent Contractor Agreement shall be governed and interpreted in accordance with the laws of the State of Texas unless expressly preempted by United States statutes or United States Regulations.

29. **Venue:** Venue on any action arising from, or related to, this Independent Contractor Agreement shall be in the District Court of Callahan County, Texas.

30. **Entire Agreement:** This Agreement constitutes the entire understanding of the parties and supersedes any and all prior understandings or agreements, oral or written, between and among the parties respecting the subject matter within this Agreement. This Agreement shall be binding upon the successors, assigns and legal representatives of the parties hereto. This Agreement may not be modified unless in writing signed by both parties.

Member, Jordan Logistics, LLC

Contractor

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Print

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Date

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