



Owner/Operator Lease Agreement

AGREEMENT made this _____ day of _____, 20____, by and between **CodeOne Inc.**, hereinafter referred to as **LESSEE**, located at P.O. Box 164, Port Republic MD 20676 and _____ hereinafter referred to as **LESSOR**, located at _____.

WITNESSETH:

(1) **CODEONE INC.** is a motor contract carrier of property authorized by the Federal Highway Administration by Permit No. MC- 297439 to provide transportation of property under contract with shippers and receivers of general commodities, and the LESSOR.

(2) LESSOR is the owner of the tractor/truck and trailer equipment described in Appendix "A" and is duly authorized and empowered to execute this agreement to sublease on a monthly basis to LESSEE.

NOW THEREFORE, in consideration of the representation made herein, the parties agree as follows:

(1) The LESSOR hereby leases the equipment to, and services of, LESSEE, described in Appendix "A". LESSEE certifies that they will maintain the equipment subject to this lease to meet U.S. Department of Transportation (DOT) safety requirements and standards, and that LESSEE shall inspect such equipment daily and shall determine that such requirements and standards have been met at the time of execution of this lease and henceforth.

(2) Possession of equipment will be transferred under the terms of this lease from LESSOR to LESSEE beginning at the date and time of execution of this agreement and continue until cancellation is served by either LESSEE or LESSOR in writing. At such time as this lease agreement is terminated, LESSOR agrees to furnish LESSEE with a written receipt to show that LESSOR retakes possession of the equipment.

(3) During the tenure of this lease agreement, the LESSEE shall have exclusive possession, control, and use of the equipment, and shall assume complete responsibility for the operation of the equipment for the duration of the lease. LESSEE agrees to properly identify equipment with the Federal Highway Administration's "MC" number and the name of LESSOR.

(4) LESSEE agrees to comply with all safety regulations required by the Department of Transportation and the various States in which operations are conducted.

(5) In consideration for the use of the equipment and services of LESSEE, the LESSOR agrees to compensate LESSEE by the net income of the equipment created. LESSOR will provide any additional permits requested by LESSEE at the cost of the LESSEE.

(6) Payment shall be made weekly after submission of the necessary delivery documents and other paperwork concerning a trip in the service of LESSOR. LESSEE must complete all trip tickets and reports. Each trip report must be turned in before the next trip is assigned. There will be a flat _____ charge on all booked loads, and the LESSOR will receive the balance.

(7) The LESSEE is responsible for costs of all fuel, meals and lodging, repairs and maintenance to tractor and trailer, tolls, ferries, detention, etc. necessary in the operation of equipment while in the service of LESSOR. If it becomes necessary for LESSOR to pay or provide any item that LESSEE is responsible for, the LESSOR has the right to deduct such cost from the LESSEE's compensation at the time of payment. If such deduction becomes necessary, then LESSOR will provide LESSEE with a full explanation and/ or documentation as to how the amount of each item is to be computed. The LESSEE is not required to purchase or rent any products, equipment, or services from LESSOR as a condition of entering into this lease agreement.

This includes but is not limited to all rental, an insurance deductible escrow in the event of an accident, all repair, insurance, fuel, and DEF expenses.

(8) The DRIVER & LESSEE is responsible for retrieving loads from specific job site and delivering load at proper site, which will be determined per contract.

(9) LESSEE shall in case of accident notify LESSOR immediately of said accident so that LESSOR may be able to provide sufficient information in giving notice to all authorities as provided by law.

(10) The LESSEE shall be liable for the entire loss or damage to cargo and third person or property resulting from negligent, willful or intentional act of the LESSEE, his agent or employees. This shall include, but is not limited to, colliding with overhead structures, and cargo loss due to improper or negligent securing by the LESSEE, his agents or employees.

(11) It is agreed that the services of LESSEE under the terms of this lease agreement is that of an independent contractor and that no "employee- employer" relationship exists between LESSOR and LESSEE. LESSEE is therefore responsible for providing his own

workmen' s compensation insurance, employment and income taxes, etc. Further, any drivers or employees of LESSEE are the complete responsibility of the LESSEE.

(12) This lease agreement may be canceled upon written notice by either LESSOR or LESSEE. It is agreed that any loads in transit will be delivered prior to cancellation, and all required paperwork will be turned in prior to final settlement. Any costs incurred by LESSOR to complete the delivery of a load in transit will be charged to the LESSEE.

(13) This AGREEMENT is to become effective _____ and shall remain in effect for a period of one year from such date, and from year to year thereafter, subject to the right of either party hereto to cancel or terminate the AGREEMENT at any time with written notice of one party or the other.

IN WITNESS WHEREOF, this agreement has been entered into and executed by duly authorized representatives of LESSOR and LESSEE.

(14) We will not deduct or withhold any taxes, FICA, or other deductions legally required to make from regular employees. As an independent contractor, you will not be entitled to any fringe benefits, such as unemployment, medical insurance, pension plans, overtime or any other benefits that would be offered to regular employees. A 1099 worker is an independent contractor, NOT an employee. Employment laws apply only to employees.

LESSOR:

TITLE:

DATE:

LESSEE:

TITLE:

DATE:

Known Monthly Costs:

Commission: _____

ELD/TMS.: _____

Insurance: _____

Escrow: _____

Total Weekly: _____

THIS IS TO CERTIFY THE FOLLOWING DESCRIBED EQUIPMENT

Owned or Leased By: LESSOR

Unit #

Make:

Year:

NAME: Serial # License #

Is being leased or owned by _____/LESSOR and leased to the LESSEE on this date of _____ for a period of time beginning this date and continuing thereafter until said contract shall be completed or cancelled. This certificate shall be considered as valid and in force and effect as long as it is in the possession of said owner, his agent, and employee unless notice of cancellation hereof has been filled with the State Board Commission of Official (or the Governor, if there is no such State Board of Commission of official) having jurisdiction over the business of transportation by motor vehicle of each state in which **CodeOne Inc.** operates.

The commodities to be transported include those commodities **CodeOne Inc.** is authorized to transport under its certificate authority received from the Interstate Commerce Commission, and any and all commodities the transportation of which requires no such certificate authority.

The LESSOR, for the purposes of Interstate Commerce Commission regulations acknowledges receipt of the following equipment to be used by the LESSEE and the LESSOR under their agreement, once the prescribed equipment conforms to and meets the requirements of all applicable Federal and State laws and the rules and regulations of the Interstate Commerce Commission.

The original of the contract of is kept at the office of **CodeOne Inc..**

Lessor: _____

Lessee: _____

Lessor: HOLD HARMLESS AGREEMENT

This agreement is to verify that **CodeOne Inc.** operating leased equipment in 48 States', hauling general commodity freight, does not authorize or condone unauthorized passengers in any of its leased equipment. An unauthorized passenger is someone who has not been properly qualified and approved by **CodeOne Inc.** as a driver allowed to be in equipment leased by **CodeOne Inc.**. The undersigned further agrees to hold **CodeOne Inc.** its Agents, Employees, and Insurance Carriers Harmless from any claims, injuries, or suits arising directly or indirectly because of an unauthorized passenger on **CodeOne Inc.'s** premises or in its vehicles.

DATE

LESSEE

TITLE

DATE

LESSOR

TITLE

STATEMENT OF OPERATOR STATUS

LESSEE Address:

The purpose of this form is to document the above Owner/Operator as a sole proprietor 1099 contractor, not subject to the Worker's Compensation law, and therefore do not pay for Workers Compensation coverage.

- I am a sole proprietorship.
- As a sole proprietor, I do not have any employees and do not pay any labor expenses.
- I am the operator and LESSEE of the truck used.
- I pay my own business operations expenses.
- As a sole proprietor, by law, I am not subject to the Worker's Compensation act.
- If any of the above changes, I will notify you prior to performing the next job.

DATE

LESSOR