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LEASE AGREEMENT

Poweronlytrucking.com

Contractor Lease Agreement

This agreement is effective as of this _____ day of _____, 201_ @ _ : ___ (am/pm) by

And between _____, referred to as "Contractor", Located at _____

_____, and Poweronlytrucking.com lip referred to as "carrier" located at 129 Manor Ridge Dr. Shohola PA 18458 with a mailing address of PO Box 937 Milford PA 18337

Contractor is the owner of the equipment described in Appendix A of this agreement. Drives must be fully qualified under all applicable federal and state laws to operate stated equipment in the interstate commerce.

Carrier is in the business of offering and providing motor carrier services to the shipping public and desires to retain the equipment and driver of contractor to meet its transportation commitments. Carrier is authorized to conduct operations in interstate and intrastate commerce pursuant to its operating authority issued by the appropriate federal and state agencies.

Contractor desires to lease its equipment with a driver(s) to Carrier. Carrier desires to lease the equipment and driver(s) to meet its transportation requirements for its customers. For good and lawful consideration, the parties agree as follows:

- A) Copies of this agreement - This agreement shall be executed in triplicate. The carrier will give one executed copy of the agreement to the contractor, retain a copy for the carrier's files and the third executed copy will be kept in the leased equipment for the duration of the lease.
- B) Receipts for Equipment - The equipment which contractor will lease to the carrier, pursuant to the terms and conditions of this agreement, is identified in Appendix A attached hereto and made a part hereof. Receipts specifically identifying that equipment and specifying the date and time possession is transferred shall be given to contractor by the carrier. A receipt may be transmitted by mail, fax, email, or other similar means of communication. Upon termination of this lease, or when possession by the carrier of a unit of equipment identified in the addendum ends, the carrier shall give the contractor a receipt evidencing the date and time of the return of the equipment to contractors control.
- C) Exclusive possession and Control By Carrier - Carrier shall have the 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.
- D) Identification of Equipment - During the period of the lease, and while the equipment is being operated on behalf of the carrier. The equipment shall be identified in accordance with all applicable federal and state regulations. Upon the termination of the lease, Contractor shall remove all such identification. The contractor shall promptly return such identification to the carrier or may provide a letter to the carrier certifying removal of said identification devices from the equipment or that said devices have been lost/ stolen.
- E) Status of Contractor as Independent Contractor - Contractor shall be an independent contractor with respect to the transportation operations conducted on behalf of the carrier at all times during the period this lease is in effect. Neither Contractor nor its employees are to be considered employees of carrier at any time. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise except as herein specifically provided. Contractor has the right to decline any load offered by carrier, without incurring any negative repercussions, including, but not limited to, monetary penalties, refusal of dispatch, or adverse disciplinary or administrative actions.
- F) Record of Transactions - In compliance with 49 C.F.R. 376.11 (d)(1) (or any successor regulation). Carrier shall prepare and keep records covering each trip for which Contractor's equipment is used in carrier's service. Those

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documents shall contain the name and address of the contractor, the point of origin, date of departure, and the point of final destination. Further, Carrier shall have to present, on the leased equipment during its operation. Documents containing the above specified information identifying the lading, and acknowledging that the transportation is performed under the carrier's authority. Those documents shall be preserved by carrier as part of its transportation records

- G) Carrier's Responsibility to provide shipments. – The carrier agrees to make shipments available from time-to-time for the transportation by the contractor. The carrier shall exercise every reasonable effort to make sufficient shipments available so that the contractor shall be able to keep the equipment in reasonably constant use under the terms of this agreement. Although this shall not be constructed as an agreement by the carrier to furnish any specific number of loads or pounds of freight for transportation by the contractor at any particular time or place.
- H) Compensation to Contractor. Compensation for the lease of the equipment and transportation services provided by contractor shall be at the rates specified in Appendix B attached hereto and made part of hereof.
- I) Fuel Surcharge. – The carrier shall pass on to the contractor one hundred percent (100%) of any fuel surcharge imposed by the carrier upon its transportation customer (shipper, motor carrier, broker, or freight forwarder) when such surcharge is imposed by pursuant law and/or any agreement between the carrier and its transportation customer.
- J) Payment to contractor - Carrier shall pay Contractor for all services provided under this agreement within 15 calendar days after contractor's submission of the documents required for the carrier to secure payment from carrier's customers. Those documents are limited to Logbooks required by the department of transportation and those documents necessary for carrier to secure payment from its transportation customer. Payment of compensation to the contractor shall not be contingent upon submission of a bill of lading as to which no exception have been taken. It is the responsibility of the carrier to notify the contractor at the time of dispatch and on the bill of lading that a particular shipment is to be a C.O.D. shipment. In the case of C.O.D. shipments only, the documents necessary to secure payment to the contractor shall include the certified check or money order due the carrier. See appendix C for complete payment structure.
- K) Documentation Supporting Contractor's Compensation – If the Contractor's compensation, as specified in appendix B, is based on percentage of the revenue received by carrier, carrier will provide Contractor, before or at the time of dispatch a copy of the applicable rated invoice, bill of lading, and tariff or rate confirmation.
- L) Expenses Incurred in operating Equipment. Contractor shall bear the operational expenses incurred performing the transportation services requested by the carrier under this lease agreement. Those expenses shall consist of and are not limited to: liability insurance, fuel, fuel taxes, permits of all types, tolls ferries, base plates, licenses, fines and penalties resulting from acts or omissions of contractor, insurance costs relating to insurance coverage required to comply with this agreement as set out in appendix D, federal highway use tax on the equipment. Contractor shall also bear any expenses necessary to maintain equipment in compliance with all applicable federal and state safety laws and regulations.
- M) Base plates. The carrier may elect to purchase base plates in his or her own name directly from the State. If the contractor elects to purchase base plates through the carrier, the actual cost of the base plate may be deducted from the contractor's compensation pursuant to paragraph and appendix D of this agreement. If contractor elects to purchase base plates through the carrier, and if, at termination of this agreement, the carrier is authorized to receive a refund or a credit for base plates purchased by 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 contractor prorated share of the amount received. Such refund shall be made within fifteen days of receipt of refund from the state or the proceeds of the sale of the base plate to another contractor.
- N) Charge backs – Carrier may not impose charge backs against the compensation due the contractor except cash advances or the actual cost to the carrier for providing the specific items identified in appendix d annexed hereto and made a part hereof. Appendix D identifies all items for which a charge back is authorized that are not otherwise specifically provided for in this agreement and shows how the amount is computed for each item to be charged back to the contractor. The Contractor shall be entitled to copies of those documents necessary to determine the validity of all items charged back against compensation due the contractor.

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- O) Loss and damage claims – Carrier shall provide Contractor with a written explanation and itemization of any deductions for cargo or property damage to be taken from contractor’s compensation.
- P) Fines - The contractor shall assume all risks and costs of fines for overweight and oversize trailers. Carrier will take appropriate action to ensure that its customers observe all applicable federal and state laws pertaining to the loading of freight.
- Q) Fuel use tax payments - Carrier assumes responsibility for filing fuel use tax returns with the base state in which contractor’s equipment is registered. Contractor shall submit timely reports on forms supplied by the carrier and furnish documentation for all miles driven and gallons of fuel purchased on a state-by- state basis. Carrier shall provide contractor with periodic summaries of credits and debits for fuel use taxes on a state-by-state basis. Within thirty days following the close of each quarterly period. Carrier shall provide a report showing all credits and debits for all taxing jurisdictions shows that contractor during the reporting periods. If the net of the credits and debits for all taxing jurisdictions shows contractor has a net credit, Carrier shall pay contractor the amount of such credit forthwith: if the net of credits and debits for all taxing jurisdictions shows that the contractor has a net debit, Carrier shall entitled to a deduct the amount of such debit form he contractor’s compensation.
- R) Carrier’s insurance coverage – Carrier is legally obligated to maintain insurance for the protection of the public. Carrier will maintain 1 million dollar of liability insurance 100 thousand dollars of cargo insurance, and 50 thousand dollars in trailer interchange insurance. The amount for this insurance will be deducted from contractor’s compensation as stated in appendix D.
- S) Insurance to be provided by contractor - Contractors are not required to purchase the following insurances though carrier. Non trucking liability (bobtail) and physical damage insurance. If the Contractor Purchases any insurance coverage from or though the carrier it will be enumerated in appendix D.
- T) Reserve account- The contractor must have in place a reserve account of \$ 3500.00 to be used in the event of termination or any payments for contractor. The account will be built on a \$50.00 per week deduction from contractor’s compensation until \$3500.00 has been achieved. There is no interest to be paid on this account.
- U) Notice – Any notice required or permitted by this agreement to the carrier shall be deemed conclusively provided when hand delivered to carrier at carriers terminal or to the carrier or the contractor when deposited by either party in the united states mail with first class postage prepaid, properly addressed to the other party as follows

<u>Contractor</u> _____	<u>Carrier</u>
Name _____	Name Poweronlytrucking.com
Address _____	Address PO Box 937
_____	Milford Pa 18337

Should the address of either party change; notice of the new address must be provided by first class mail within (5) business days of that change

- V) Entire Agreement – Modification - This agreement, with the attached Appendices A-D, Constitutes the entire agreement and understanding between the parties and shall not be modified, altered, changed or amended in Any respect winless in writing and signed by both parties.
- W) This agreement – shall be governed by the provisions of title 49 part B United States code, title 49 part 376, code of federal regulations and to the extent consistent with federal laws and regulations, by the laws of the state of Pennsylvania.
- X) Effective Date and Duration of Agreement - This lease shall be effective as of the date and time the agreement is executed by both parties and shall continue in effect until terminated in accordance with the provisions of this agreement. It is contemplate that he term of this agreement will be for not less than 6 months from the date of execution and will automatically continue in effect until such time as terminated mutually, or by either party, as

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provided in this agreement. Should Contractor or Carrier breach any of the terms of this agreement, the other party will give written notice of that breach and can terminate the agreement upon 48 hr written notice to the other party. If either party desires to terminate the agreement without cause 14 days written notice must be provided to the other party

In Witness whereof, the parties hereto have executed this agreement this ___ day of _____, 201_ @ ___:___ (AM/PM) and same shall be considered binding upon both parties and shall remain in full force and effect unless and until terminated according to the terms and conditions

For Contractor

For Carrier

Name _____

Name Darryl Hopper

Title _____

Title _____

Signature _____

Signature _____

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List of Appendices

Receipts for equipment.....App. A
Specifications of compensationApp. B
Clarification of Payment of Contractors CompensationApp c.
Charge Backs for Insurance and other Specified Items.....App D
Reserve AccountApp E

APPENDIX A

Carrier acknowledges receipt of the following equipment on the date and at the time stated below:

Tractor _____ VIN _____
Description (make/model/year)

Carrier's Authorized Representative

Date Time

I have seen, reviewed and received a copy of this appendix A Receipt for equipment

Contractor

Date Time

APPENDIX B

Specification of Compensation

Contractor shall receive 80% of the revenue for each trip undertaken on carrier's behalf, such percentage to be derived from the gross revenue contracted for between carrier and Carriers Customer (Whether Shipper, receiver, Broker, freight forwarder). Gross Revenue shall include the revenue earned on any involved shipment for which services were performed, including, but not limited to, detention, accessorial services, tarp charges, deadhead mileage, pickup and delivery or any other remuneration charge pertaining to each shipment hauled.

Carrier's Authorized Representative

Date Time

I have seen, reviewed, and received a copy of this Appendix B- Specification of Compensation

Contractor

Date Time

APPENDIX C

CONTRACTORS PAYMENT STRUCTURE

REQUIRED PAPERWORK FOR EACH SHIPMENT

- 1) RATE CONFIRMATION (PROVIDED BY CARRIER)
- 2) BILL OF LADING (BLANK BOL PROVIDED CONTRACTOR MUST EXECUTE)
- 3) DAILY LOG PAGES (CONTRACTOR MUST PROVIDE AND FILL OUT)
- 4) MILES BY STATE FORMS (CARRIER WILL PROVIDE CONTRACTOR TO COMPLETE)
- 5) FUEL RECIEPTS TO ACOMPANY MILES BY STATE FORM

The following must be sent to factoring Company in provided envoples (postage paid)

Rate confirmation and bill of lading (drop in trip pak box)

The following must be sent to carriers address at the destination of each load

Daily log pages, any copies of bol, miles by state, copy of fuel receipts.

All loads delivered between Wednesday and Wednesday will be paid on the following Monday.

APPENDIX D

CHARGE BACKS FOR SPECIFIED ITEMS

List all insurance policies that contractor is responsible to provide under the terms of the lease to which this appendix D is attached. For all insurance coverage to be purchased from, or through, the carrier for which deductions will be taken from contractor's compensation, include in the itemized list the amount to be deducted and the frequency of the deduction.

TYPE OF COVERAGE	COVERAGE DATES	POLICY LIMIT	DEDUCTIBLE	PREMIUM
1. LIABILITY CARGO TRAILER INTERCHANGE		\$ 190.00		APPROX PER WEEK
2. NON TRUCKING LIABILITY BOBTAIL		\$???		PER WEEK
3. PHYSICAL DAMAGE		\$????		PER WEEK
4. RESERVE ACCOUNT (TILL \$3500.00)		\$ 50.00		PER WEEK FOR 70 WEEKS
5. FUEL TAX AMOUNT OF FILING		\$???		QUATERLY
6. 2290 HWY USE TAX		\$550.00		YEARLY JULY
7. BASE PLATES		\$ 100.00		PER WEEK 16 WEEKS

<u>ITEM</u>	<u>AMOUNT TO BE DEDUCTED</u>	<u>FREQUENCY OF DEDUCTION</u>
FUEL	AMOUNT PAID BY CARRIER	WEEKLY
BASE PLATES	AMOUNT PAID BY CARRIER	WEEKLY (16 WEEKS)

FUEL: ACTUAL AMOUNT PAID BY CARRIER INCLUDING ALL DISCOUNTS REBATES, AND FEES. COPIES OF FUEL CARD STATEMETN WILL BE ATTTACHED TO SETTLEMENT SHEETS

BASE PLATE: ACTUAL AMOUNT CHARGED BY STATE DIVIDED BY 16 WEEKS

CARRIERS AUTHORIZED REPRESENATIVE _____

DATE _____ TIME _____

I HAVE SEEN, REVIEWED, AND RECEIVED A COPY OF THIS APPENDIX D-CHARGEBACKS FOR SPECIFIED SITEMS

CONTRACTOR _____

DATE _____ TIME _____