

FAF, INC.
d/b/a Forward Air Transportation Services, Inc.

**INDEPENDENT CONTRACTOR
OPERATING AGREEMENT**

**THIS AGREEMENT CONTAINS INDEMNIFICATION PROVISIONS WHICH ARE
HIGHLIGHTED IN BOLDFACED, UNDERLINED TYPE.**

FAF, INC.
INDEPENDENT CONTRACTOR OPERATING AGREEMENT

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APPENDIX D – Sublease

QUALIFICATION CERTIFICATE

APPENDIX E – Prohibition Against Use of Mobile Technology While Operating a CMV

APPENDIX F – Satellite Equipment

POWER OF ATTORNEY

STATEMENT OF LEASE

SIGNATURE APPENDIX

FAF, INC.
INDEPENDENT CONTRACTOR OPERATING AGREEMENT

FAF, Inc. d/b/a Forward Air Transportation Services, Inc. ("CARRIER"), an authorized motor carrier, registered with the Federal Motor Carrier Safety Administration ("FMCSA") of the U.S. Department of Transportation ("DOT") and applicable state and foreign authorities, and the undersigned independent contractor ("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 Operating Agreement, including any appendixes and addendums (this "Agreement").

1. PROVISION OF SERVICES AND EQUIPMENT.

1(a). CONTRACTOR's Services and Equipment. During the term of this Agreement, CONTRACTOR shall provide CARRIER professional truck driving services, other incidental transportation related services, and the use of the equipment set forth in Section 1 of Appendix A (CONTRACTOR Election Form) or as supplemented in an addendum (the "Equipment"). CONTRACTOR represents and warrants that CONTRACTOR has title to or is authorized to contract the Equipment and services to CARRIER, that the Equipment is in good repair and operating condition, that it meets all applicable federal, state, local, and foreign requirements, that it is in all respects fit and serviceable for the use intended under this Agreement, and that CONTRACTOR is the Equipment's "owner," as that term is defined by 49 C.F.R. § 376.2(d). Upon taking possession of the Equipment from CONTRACTOR, CARRIER shall furnish to CONTRACTOR a receipt for equipment, in the form attached to this Agreement, which shall constitute the receipt required by 49 C.F.R. § 376.11(b). CONTRACTOR shall be free to substitute a different vehicle for the one constituting the Equipment, if each of the CONTRACTOR requirements of this Subsection (a) is met and CARRIER furnishes CONTRACTOR with a new receipt covering the vehicle. The substitute vehicle shall constitute the Equipment and be covered as such by this Agreement. In the case of multiple units of leased equipment, this lease may be terminated as to one of such units and remain in effect as to another unit or units. On or before an agreed to date between the CONTRACTOR and CARRIER (which shall be not more than sixty [60] days from either the date of this Agreement or the replacement or addition of equipment), the CONTRACTOR, at its expense, will paint the unit and apply the decals furnished by CARRIER. CARRIER shall furnish to CONTRACTOR two decals per unit containing identification required by applicable federal rules and regulations. CONTRACTOR shall immediately attach one decal to each side of his unit or units. If the name of any person other than CARRIER appears on the unit, it shall be preceded by the words "operated by" and followed by CARRIER's decal CONTRACTOR is solely responsible for the vehicle maintenance and appearance to meet CARRIER and/or CUSTOMER specifications and requirements. CARRIER has sole discretion in determining if the CONTRACTOR's vehicle is in compliance with the requirements. Upon termination of this Agreement, CONTRACTOR shall execute a similar receipt for equipment, in the form attached to this Agreement, as the written receipt for the return of the Equipment by CARRIER to CONTRACTOR.

1(b). No Guarantees or Limitations. CARRIER does not guarantee any specific number of shipments or amount of revenue to CONTRACTOR or to use the Equipment at any particular time or location during the term of this Agreement. CONTRACTOR is free to accept or reject any specific shipment offered by CARRIER without penalty and without prejudicing its opportunity for future engagements. CONTRACTOR is not prohibited from entering into separate agreements to provide equipment and other professional truck drivers not identified as Equipment above or in an appendix and drivers not used to service this Agreement, to other motor carriers. Nor is CONTRACTOR, consistent with Section 15(b) of this Agreement, prohibited from using the Equipment for the pick-up transportation, or delivery of property for more than one motor carrier or any other person or entity.

2. DURATION AND TERMINATION OF AGREEMENT.

2(a). Commencement and Termination. This Agreement shall begin on the date set forth in Appendix A and end on August 15, 2018, unless terminated sooner by either party. Either party may terminate this Agreement immediately, in accordance with the procedures in Subsection (b) of this Section, for any of the reasons set forth in that Subsection. In addition, either party may terminate this Agreement at any time for any reason by giving thirty (30) days' written notice to that effect to the other party personally, by mail, by fax machine at the address or fax number shown at the end of this Agreement, or, if both parties have signed Appendix C, by the electronic means specified in that appendix. The effective date and time of termination shall be as set forth in the written notice given by either party, or on the receipt for the Equipment if one is issued by CONTRACTOR to CARRIER, or at the date and time when, as a practical matter, possession of the Equipment by Carrier pursuant to 49 C.F.R. § 376.11(b)(2) ends, whichever of these three dates/times is earliest.

2(b). Reasons for Unilateral Termination by a Party. Notwithstanding anything to the contrary in this Agreement, in the event of (1) a party's engaging in, or attempting, conspiring, or threatening to engage in, any act or omission that would constitute a felony or intentional tort, pursuant to Section 8 of this Agreement; (2) CONTRACTOR's, or CONTRACTOR's driver's or other workers', violation of, or failure to fully adhere to and perform, the requirements of

(A) any customer of CARRIER to the extent provided by Section 8(g) of this Agreement, (B) any applicable federal, state, local, and foreign authorities, including but not limited to DOT, state, provincial, or local highway safety, vehicle inspection, vehicle maintenance, traffic, road, truck size-and-weight, hazardous materials transportation, cargo security, or other laws and regulations ("Applicable Law"), (C) CARRIER's operating authorities, or (D) CARRIER Policies and Procedures, all pursuant to Sections 8(a) and (f) of this Agreement; (3) CONTRACTOR's, or CONTRACTOR's driver's or other workers', involvement in an "accident," as that term is defined by FMCSA in 49 C.F.R. § 390.5, pursuant to Section 8(f)(1) of this Agreement; (4) CONTRACTOR's failure to report an accident pursuant to Section 12 of this Agreement; or (5) any other material breach of this Agreement by either party, the other party may elect to terminate this Agreement by giving immediate oral notice (but only if the other party is reachable in person or by telephone), followed by written, notice of termination to the breaching party. In addition, Section 16(f)(3) of this Agreement provides, among other things, that either party may unilaterally terminate this Agreement on one day's notice if and when an initial decision is issued by a court or administrative agency reclassifying CONTRACTOR from independent-contractor to employee status.

2(c). CONTRACTOR's Obligations Upon Termination. CONTRACTOR shall, upon the termination of this Agreement or the completion of the transportation or other services provided for herein, whichever occurs later, remove all CARRIER identification from the Equipment and return it, or a letter certifying the removal, to CARRIER, via hand delivery, overnight express service, or certified mail, together with all of CARRIER's property, including CARRIER's Trailers, permits and other paperwork, load securement equipment, and freight, to CARRIER's nearest terminal and pay CARRIER all amounts CONTRACTOR owes CARRIER at that time under this Agreement. If CONTRACTOR fails to return CARRIER's property (in good working condition) or freight to CARRIER, or remove and return all CARRIER identification (or deliver to CARRIER a letter certifying its removal), upon termination of this Agreement, CONTRACTOR shall pay CARRIER all expenses incurred by CARRIER in returning those items to good operating condition and in seeking the return of the items, including reasonable attorney fees and collection costs. In the event CONTRACTOR shall fail to return equipment or shall otherwise abandon same, CARRIER shall have the right to immediate possession and to compensation to recover equipment at the rate of \$1.50 per mile from origin to point of pickup and return to terminal, plus costs of attorney's fees, writ of replevy and other costs as may be necessary. In addition, CARRIER may pursue all other remedies allowed by law or authorized in this Agreement against CONTRACTOR.

2(d). Survival of Liabilities and Entitlements. If, up to and including the date of termination, one or more events occur that give rise, before or after that date, to a liability or entitlement of CONTRACTOR or CARRIER under this Agreement, the liability or entitlement shall continue, notwithstanding the termination of this Agreement, until the liability or entitlement is satisfied in full.

3. GROSS COMPENSATION. CONTRACTOR's gross compensation shall be as set forth in Appendix B (CONTRACTOR Compensation Rates), and this gross compensation shall constitute the total compensation for the use of the Equipment and for everything furnished, provided, done by, or required of CONTRACTOR in connection with this Agreement, including but not limited to driving of the Equipment and all non-driving activities such as conducting pre- and post-trip inspections of the Equipment, waiting to load or unload (detention), loading or unloading if required, fueling, repairing and maintaining the Equipment, spotting, hooking and unhooking empty trailers, preparing logbooks and other paperwork, and other activities and services. All mileage computations shall be based on the most recent edition of CARRIER's Rand McNally MileMaker®. CONTRACTOR may refuse any specific shipment offered by CARRIER. CONTRACTOR is not prohibited from entering into separate agreements to provide equipment and other professional truck drivers not identified as Equipment above or in an attachment and drivers not used to service this Agreement, to other motor carriers. **As indicated in Section 9 (CONTRACTOR's Operating Expenses) and Section 5 (Charge-Backs) of this Agreement, CONTRACTOR – as an independent contractor, not an employee – agrees to pay all of CONTRACTOR's operating expenses (including but not limited to those that CARRIER initially advances and later charges back to CONTRACTOR) out of the gross compensation provided under this Section and Appendix B (CONTRACTOR Compensation Rates) and any other CONTRACTOR moneys. Under no circumstances shall CARRIER be responsible for these operating expenses.**

4. SETTLEMENT PERIOD AND DOCUMENTATION.

4(a). Settlement. CARRIER shall settle with and pay the required gross compensation to CONTRACTOR with respect to services provided under this Agreement within fifteen (15) days after CONTRACTOR's submission to CARRIER of properly completed logs required by FMCSA and those documents necessary for CARRIER to secure payment from CARRIER's customers, including the signed freight bill, delivery receipt, or bill of lading (provided that CONTRACTOR need not submit a bill of lading to which no exceptions have been taken), delay or irregular service reports, customs documents and spill or contamination reports, concerning a trip in the service of CARRIER under this Agreement. At each weekly settlement, CARRIER shall furnish to CONTRACTOR, by the method chosen by CONTRACTOR in Section 7 of Appendix A (CONTRACTOR Election Form) to the address required by Section 23 (Notices) of this Agreement, a statement detailing all debit and credit entries since the preceding statement ("Settlement Statement"). **CONTRACTOR shall submit Trip Documents to CARRIER within ninety (90) days after completion of services. CONTRACTOR hereby acknowledges and agrees that CONTRACTOR shall forfeit any and all compensation otherwise due for**

services for which CONTRACTOR fails to submit Trip Documents within such 90-day period after completion of services.

4(b). Documentation. Regardless of the method of compensation, CONTRACTOR shall be permitted to examine CARRIER's tariffs, or other contracts or documents, if any, from which rates and charges are computed and documents underlying any computer-generated document, at CARRIER's main headquarters during normal business hours. If rates and charges are computed from a contract, CONTRACTOR is entitled to examine only those portions of the contract containing the same information as would appear on a rated freight bill. CARRIER may delete the names of shippers and consignees shown on the freight bill or other form of documentation. CARRIER has the exclusive right to set the rates and amounts charged to CARRIER's customers, shippers, consignors, or consignees, and nothing in this Agreement shall be construed to limit that right.

4(c). Removal of Identification. 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 compensation payments owed to CONTRACTOR until this obligation is met.

5. CHARGE-BACKS.

5(a). Deductions Table. CARRIER shall deduct from CONTRACTOR's gross compensation under Section 3 of this Agreement, from CONTRACTOR'S Escrow Fund, or from other amounts CARRIER owes CONTRACTOR, at the time of settlement with CONTRACTOR, amounts that, under this Agreement or any addendum, CONTRACTOR owes CARRIER, as set forth in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form) of this Agreement, resulting in a net amount, if any, to be remitted to CONTRACTOR ("Settlement Compensation"). CONTRACTOR shall, immediately after each settlement, pay CARRIER any net amount CONTRACTOR continues to owe CARRIER following the making of such deductions. **Instead of or in addition to making the deductions authorized by the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form), CARRIER shall have a right to recover, through collection agencies, litigation, the right of setoff, and all other available legal means, any such amounts CONTRACTOR owes, or comes to owe, CARRIER under this Agreement for the items listed in the Deductions Table.** From time to time, CONTRACTOR may be permitted by CARRIER to purchase fuel, products or services, including repairs that are charged to CARRIER. When CONTRACTOR does so, CONTRACTOR hereby authorizes CARRIER to deduct or otherwise recover from CONTRACTOR pursuant to this Section of this Agreement amounts equal to these charges. CONTRACTOR is never to charge any amounts to CARRIER's account – or execute or endorse any negotiable instrument for or on behalf of CARRIER – without CARRIER's express written permission in advance, and CONTRACTOR and CARRIER shall not incur or authorize any other debts in the name of the other.

5(b). Documentation. CARRIER shall provide CONTRACTOR a written explanation and itemization and documentation of any deductions for cargo or property damage before making them. With respect to all charge-backs and deductions, CARRIER shall make available to CONTRACTOR, upon request, copies of those documents necessary to determine the validity of the charge.

5(c). Changes In Existing Deduction Items. If an item in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form) will be changing, CONTRACTOR shall be so notified by personal delivery, fax, other written notice, or, if the parties have both signed Appendix C, by the electronic means outlined in that Appendix. In any event, CONTRACTOR shall not be subject to any such change until fifteen (15) days after the notice or such later time as is set forth in the notice. **CONTRACTOR's failure, by the end of 15-days after the notice, to notify CARRIER of any objection to the change shall constitute CONTRACTOR's express consent and authorization to CARRIER to implement the change and modify accordingly the amount deducted or otherwise recovered from CONTRACTOR pursuant to the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form), beginning immediately after the 15-day period.** The modified amounts shall replace and supersede those shown in the Deductions Table. If CONTRACTOR fails to notify CARRIER of CONTRACTOR's objection within the 15-day period – or if CONTRACTOR notifies CARRIER of CONTRACTOR's objection within the 15-day period and the parties are then unable to resolve the matter, the parties shall each have the right to terminate this Agreement immediately thereafter. Once the change becomes effective, CONTRACTOR still retains the right to terminate this Agreement in accordance with the procedures set forth in Section 2 of this Agreement (although CONTRACTOR shall remain subject to the change until the effective date and time of CONTRACTOR's termination).

6. INSURANCE.

6(a). CARRIER's Insurance Obligations. Pursuant to FMCSA regulations (49 C.F.R. Part 387) promulgated under 49 U.S.C. § 13906 CARRIER shall maintain, at CARRIER's expense, public liability insurance (personal injury-property damage coverage and environmental restoration coverage), and cargo liability insurance for the Equipment at all times

while the Equipment is being operated on behalf of CARRIER. CARRIER's personal injury/property damage insurance shall have a combined single limit of not less than the amount set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form), with a deductible for personal-injury or property-damage claims no greater than the amount set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form). CARRIER shall also maintain physical-damage liability insurance coverage on CARRIER's (but not CONTRACTOR's) trailers. CARRIER's personal injury/property damage insurance policy, trailer physical-damage insurance policy, and cargo insurance policy shall list CONTRACTOR, either by class or individually, as an additional insured. However, CARRIER's possession of this insurance shall in no way affect CARRIER's rights of indemnification against CONTRACTOR as provided for in this Agreement.

6(b). CONTRACTOR's Insurance Obligations. CONTRACTOR shall maintain, at CONTRACTOR's expense, the following minimum insurance coverages during this Agreement:

6(b)(1). Non-Trucking Liability. CONTRACTOR shall maintain public liability and property damage insurance which shall provide coverage to CONTRACTOR whenever the Equipment (as well as any CARRIER trailer) is not being operated on behalf of CARRIER (including, but not limited to, whenever the Equipment is being operated on behalf of others pursuant to an alternative use of Equipment pursuant to Section 15(b) of this Agreement or whenever the Equipment is being operated on behalf of CONTRACTOR alone) in a combined single limit of not less than the amount set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form), with a deductible no greater than the amount set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form). This coverage shall be no less comprehensive than the coverage CARRIER will facilitate on CONTRACTOR's behalf if CONTRACTOR so chooses, as provided in the "CERTIFICATE OF INSURANCE" in Section 5(b) of Appendix A (CONTRACTOR Election Form). In addition, the required coverage shall be primary and non-contributory to any other insurance that may be available from CARRIER. CONTRACTOR shall be responsible for all deductible amounts and for any loss or damage in excess of the policy limit.

6(b)(2). Workers' Compensation/Occupational Accident Insurance.

6(b)(2)(A). Worker's Compensation Coverage. CONTRACTOR shall, to the extent required or permitted by law, provide workers' compensation insurance coverage (or, if CONTRACTOR prefers, occupational accident insurance coverage where both state law allows and CARRIER approves) for CONTRACTOR (if a natural person) and those of CONTRACTOR's drivers, employees, agents, and any other persons required to be principally covered under the worker's compensation law of the State in which CONTRACTOR is domiciled and in amounts not less than the statutory limits required by the State's law. The worker's compensation insurance policy shall provide principal coverage in the State set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form) as well as the State in which CONTRACTOR is domiciled; shall provide "other states coverage" that excludes only the "monopolistic states" – namely, North Dakota, Ohio, Washington, and Wyoming; and shall provide, if available, Extended Protection to cover CONTRACTOR and CARRIER for any claim or expenses incurred as a result of a claim made by CONTRACTOR, CONTRACTOR's drivers, employees, agents, and other persons utilized by CONTRACTOR in any of the monopolistic states. If CONTRACTOR is domiciled in any of the four foregoing states, CONTRACTOR shall have state-fund coverage. As evidence of the 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 (or other document issued by the appropriate state fund including, where applicable, current certificates of premium payment).

6(b)(2)(B). Occupational Accident Coverage. CONTRACTOR may, as an alternative to obtaining workers' compensation coverage, obtain an occupational accident insurance policy that includes either an endorsement or a separate policy provision whereby an admitted insurer provides, or agrees to provide, workers' compensation coverage that becomes effective for a claim by CONTRACTOR alleging employee status, but CONTRACTOR may elect this alternative ONLY IF:

6(b)(2)(B)(1). CONTRACTOR either –

6(b)(2)(B)(1)(a). Is the sole owner (as that term is defined in 49 C.F.R. § 376.2(d)), and the sole operator, of the Equipment, or

6(b)(2)(B)(1)(b). CONTRACTOR operates the Equipment as a "team" using a co-driver or co-drivers, or

6(b)(2)(B)(1)(c). Has workers and the State in which CONTRACTOR is domiciled both exempts CONTRACTOR from maintaining workers' compensation coverage of CONTRACTOR (if a natural person) and CONTRACTOR's employees and protects CARRIER from being considered the employer of either CONTRACTOR or CONTRACTOR's workers;

6(b)(2)(B)(2). The occupational accident insurance coverage is no less comprehensive than the coverage CARRIER may facilitate on CONTRACTOR's behalf if CONTRACTOR so chooses, as provided in the "CERTIFICATE OF INSURANCE" in Section 5(b) of Appendix A (CONTRACTOR Election Form); and

6(b)(2)(B)(3). The occupational accident insurance policy includes either an endorsement or a separate policy provision whereby an insurer provides, or agrees to provide, workers' compensation coverage that becomes effective for a claim by CONTRACTOR (or CONTRACTOR's co-driver(s)) alleging employee status; and

6(b)(2)(B)(4). CARRIER approves the coverage.

6(b)(2)(C). Certain Kansas-, Mississippi-, Texas-, and Utah-Domiciled Contractors If domiciled in Kansas, Mississippi, Texas, or Utah, CONTRACTOR must provide evidence of:

6(b)(2)(C)(1). Kansas and Mississippi. Either workers' compensation insurance coverage or occupational accident insurance coverage (in Mississippi of at least \$1 million) if CONTRACTOR is the sole owner (as that term is defined in 49 C.F.R. § 376.2(d)) and exclusive driver of the Equipment; or Workers' compensation insurance coverage if CONTRACTOR is not the sole owner and exclusive driver of the Equipment.

6(b)(2)(C)(2). Texas. If CONTRACTOR is the sole owner (as that term is defined in 49 C.F.R. § 376.2(d)) and exclusive operator of the Equipment, is domiciled in Texas, and does not wish to be covered by workers' compensation insurance, CONTRACTOR shall sign and submit to CARRIER a Texas Department of Insurance, Workers' Compensation Division ("DWC") DWC Form-82 (Rev. 10/05), check-marking the option (in upper right quadrant) of "Agreement to Require Owner Operator to Act as Employer" and completing the "Owner Operator's Affirmation" in the lower half of the form. CARRIER shall retain the original of the completed form, file a copy with DWC, obtain a date-stamped copy back, and furnish copies of the date-stamped version to CONTRACTOR and to CARRIER's workers' compensation insurance carrier. Any workers' compensation coverage obtained by CONTRACTOR shall be no less comprehensive than the coverage CARRIER may facilitate on CONTRACTOR's behalf if CONTRACTOR so chooses, as provided in Subsection (e) of this Section.

6(b)(2)(C)(3). Utah. If CONTRACTOR is domiciled in Utah and is the sole owner and exclusive driver of the Equipment, CONTRACTOR shall provide Carrier with evidence of occupational accident insurance coverage and a copy of a valid Workers' Compensation Coverage Waiver ("WCCW") issued by the Industrial Accidents Division of the Utah Labor Commission (through CONTRACTOR's application online at <https://webaccess.laborcommission.utah.gov/wccoveragewaivers>). If CONTRACTOR is domiciled in Utah and is not the sole owner and exclusive driver of the Equipment, CONTRACTOR shall provide evidence, in the form required by Subsection (c) of this Section, of workers' compensation insurance coverage on both CONTRACTOR (unless CONTRACTOR has provided CARRIER with a copy of a valid WCCW) and those of CONTRACTOR's drivers, employees, agents, and other persons required to be principally covered under the worker's compensation law of Utah.

6(b)(3). Passenger Insurance. If CONTRACTOR wishes to carry passengers in the Equipment (subject to CARRIER so authorizing in advance pursuant to Section 19 of this Agreement), CONTRACTOR shall procure, carry, and maintain passenger liability insurance that shall provide coverage to CONTRACTOR whenever the Equipment is being operated (whether or not on behalf of CARRIER) in a combined single limits, and aggregate limit of liability, of not less than the amounts set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form). In addition, the required coverage shall be primary to any other insurance that may be available from CARRIER. CONTRACTOR shall be responsible for all deductible amounts and for any loss or damage in excess of the policy limit.

6(b)(4). Other Insurance. In addition to the insurance coverages required under this Agreement, it is CONTRACTOR's responsibility to maintain any fire, theft, uninsured and/or underinsured motorist, 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 Section 13(a) of this Agreement, CONTRACTOR holds CARRIER harmless with respect to loss of or damage to CONTRACTOR's Equipment, trailer, or other property, and CARRIER has no responsibility to procure, carry, or maintain any insurance covering loss of or damage to CONTRACTOR's Equipment, trailer, or other property. CONTRACTOR acknowledges that CARRIER may, and CONTRACTOR hereby authorizes CARRIER to, waive, reject, or reduce no-fault, uninsured, and underinsured motorist coverage from CARRIER's insurance policies to the extent allowed under the law of the State set forth in Section 5(a) of Appendix A (CONTRACTOR Election Form) (the State in which CARRIER's insurance policies are delivered), and CONTRACTOR shall cooperate in the completion of all necessary documentation for the waiver, election, rejection, or reduction.**

6(c). Requirements Applicable to All of CONTRACTOR's Insurance Coverages. CONTRACTOR shall procure insurance policies providing the above-described coverages solely from insurance carriers that are A.M. Best "A" rated (or of equivalent financial strength in the commercially-reasonable judgment of CARRIER), and CONTRACTOR shall not operate the Equipment under this Agreement unless and until CARRIER has determined that the policies are acceptable (CARRIER's approval shall not be unreasonably withheld). CONTRACTOR shall furnish to CARRIER written certificates (or in the case of workers' compensation coverage, the insurance policy declarations page) obtained from CONTRACTOR'S insurance carriers showing that all insurance coverages required above have been procured from the above-rated insurance carriers, that the coverages are being properly maintained, and that the premiums thereof are paid. Each insurance certificate shall specify the name of the insurance carrier, the policy number, and the expiration date; and list CARRIER as an additional insured with primary and non-contributory coverage (except that any workers' compensation policy shall contain an alternate employer endorsement in favor of CARRIER). If a certificate of insurance provided to CARRIER under this Subsection does not 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, CONTRACTOR shall provide, or cause its insurance carrier to provide, this notice to CARRIER.

6(d). CONTRACTOR's Liability if Required Coverages Are Not Maintained. In addition to CONTRACTOR's hold harmless/indemnity obligations to CARRIER under Section 13 of 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 CONTRACTOR'S 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 the claim.

6(e). Availability of Insurance Facilitated by CARRIER. CONTRACTOR may, if CONTRACTOR so chooses by initialing one or more boxes in the right-hand column of the "CERTIFICATE OF INSURANCE" in Section 5(b) of Appendix A (CONTRACTOR Election Form), authorize CARRIER to facilitate, on CONTRACTOR'S behalf, certain insurance coverages required or made optional by this Agreement. In any such case, CARRIER shall deduct or otherwise recover pursuant to Section 5(a) of this Agreement amounts reflecting all of CARRIER's expense and cost in obtaining and administering the 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 the insurance at CONTRACTOR's expense and deduct or otherwise recover pursuant to Section 5(a) of this Agreement amounts reflecting all of CARRIER's expense in obtaining and administering the 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 with a certificate of insurance (as required by 49 C.F.R. § 376.12(j)(2)) for each insurance policy under which CONTRACTOR has authorized CARRIER to facilitate insurance coverage from the insurance underwriter (each certificate to include the name of the insurer, the policy number, the effective dates of the policy, the amounts and types of coverage, the cost to CONTRACTOR for each type of coverage, and the deductible amount for each type of coverage for which CONTRACTOR may be liable), and CARRIER shall provide CONTRACTOR with a copy of each policy upon request.

6(f). Changes in Cost or Other Details of Coverages. If CARRIER is facilitating any insurance coverages for CONTRACTOR pursuant to Subsection (e) above and the cost to CONTRACTOR for, or other details of, a coverage changes from the information listed in the "CERTIFICATE OF INSURANCE" in Section 5(b) of Appendix A (CONTRACTOR Election Form) or in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form), CONTRACTOR shall be so notified by personal delivery, fax, other written notice, or, if the parties have both signed Appendix C, by the electronic means outlined in that appendix. In any event, CONTRACTOR shall not be subject to any such change until fifteen (15) days after the notice or such later time as is set forth in the notice. CONTRACTOR's failure, by the end of fifteen (15) days after such notice, to notify CARRIER of any objection to the change shall constitute CONTRACTOR's express consent and authorization to CARRIER to implement the change and modify accordingly the deductions from CONTRACTOR's settlement compensation, beginning immediately after the 15-day period. The modified amounts shall replace and supersede those shown in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form). CARRIER shall thereupon provide CONTRACTOR with a revised Certificate of Insurance, required by Subsection (e) above, reflecting the change (the certificate to include the name of the insurer, the policy number, the effective dates of the policy, the amounts and types of coverage, the cost to CONTRACTOR for each type of coverage, and the deductible amount for each type of coverage for which CONTRACTOR may be liable) and, upon request, a copy of the corresponding insurance policy. If CONTRACTOR fails to notify CARRIER of any objection within the 15-day period – or if CONTRACTOR notifies CARRIER of CONTRACTOR's objection within the 15-day period and CONTRACTOR and CARRIER are then unable to resolve the matter to their mutual satisfaction – CONTRACTOR and CARRIER shall each have the right to terminate this Agreement effective immediately upon the change becoming

effective (although CONTRACTOR shall remain subject to the change until CONTRACTOR's termination's effective date and time).

7. ESCROW FUND. CONTRACTOR authorizes CARRIER, and CARRIER agrees, to establish and administer an escrow fund (referred to throughout this Agreement as "Escrow Fund") to be governed by the following terms and conditions:

7(a). Principal. The amount of principal to be held in the Escrow Fund shall be a minimum of the Principal Amount set forth on the "Escrow Fund contributions" row of the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form). CARRIER shall make deductions from CONTRACTOR's compensation at the rate set forth on that same row and deposit these amounts in the Escrow Fund, beginning the first week of services provided by CONTRACTOR under this Agreement. If, at any time, the principal amount in escrow falls below the above Principal Amount, CONTRACTOR authorizes CARRIER to deduct from CONTRACTOR's compensation at double the indicated rate until the minimum principal amount is replenished.

7(b). 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 this Agreement. The specific items to which the Escrow Fund shall apply are all charge-back and deduction items set forth in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form) and appendixes and addendums to, this Agreement (hereafter "Escrow Items").

7(c). Accountings. While the Escrow Fund is under CARRIER's control, CARRIER shall provide an accounting to CONTRACTOR, no less frequently than monthly, of all transactions involving the Escrow Fund by clearly indicating on individual settlement sheets the amount and description of any deduction or addition made to the Escrow Fund. In addition, upon CONTRACTOR's request, CARRIER shall provide CONTRACTOR with an accounting of any transactions involving CONTRACTOR's Escrow Fund.

7(d). Interest. CARRIER shall pay interest to CONTRACTOR on the Escrow Fund, as consolidated with the escrow funds under any other independent contractor operating agreements between CONTRACTOR and CARRIER covering other units of tractor equipment, on at least a quarterly basis ("interest period") beginning with receipt of the first CONTRACTOR contribution of principal. The interest rate shall be established on the date the interest period begins and shall be equal to the average yield of 91-day, 13-week U.S. Treasury bills, as established in the weekly auction by the Department of Treasury, or such higher rate as may be set forth on the "Escrow Fund" row in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form). For purposes of calculating the balance of the Escrow Fund on which interest will be paid, CARRIER may, at its election, first deduct a sum equal to the average advance made to CONTRACTOR during the period of time for which interest is paid.

7(e). Final Settlement. At the time of the return of any remaining balance in the Escrow Fund, under this Agreement, CARRIER may deduct monies for all Escrow Items first from the Escrow Fund under this Agreement. The 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 CARRIER's 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 not make deductions from the Escrow Fund for items for which, by the end of forty-five (45) days after termination, neither CONTRACTOR nor CARRIER has yet made expenditure or incurred a quantified, legally binding obligation to pay. CARRIER shall provide a final accounting to CONTRACTOR of all final deductions made from the Escrow Fund within forty-five (45) days from the date of termination of this Agreement.

7(f). Return of Escrow Balance. In no event shall the Escrow Fund, under this Agreement alone, 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. CARRIER's use, or post-termination return to CONTRACTOR, of any balance in the Escrow Fund, under this Agreement alone, shall not constitute a waiver of CARRIER's right to recover, through collection agencies, litigation, the right of offset, and all other available legal means, any additional amounts CONTRACTOR owes, or comes to owe, CARRIER under this Agreement.

8. COMPLIANCE WITH LEGAL AND CUSTOMER REQUIREMENTS. Neither CONTRACTOR nor CARRIER shall engage in, or attempt, conspire, or threaten to engage in, any act or omission that would constitute a felony or intentional tort, whether or not relating to or arising out of operations under this Agreement. In addition, CONTRACTOR recognizes that CARRIER's separate and distinct business of providing motor carrier freight transportation service to the public is subject to the requirements of CARRIER's customers and to regulation by the federal government acting through DOT, and by various other federal, state, local, and foreign authorities. CONTRACTOR hereby acknowledges that he/she possesses full and complete understanding and knowledge of the applicable requirements of all these authorities, including but not limited to DOT (including FMCSA's CSA Program), state, provincial, or local highway safety, vehicle inspection, vehicle maintenance, traffic,

road, truck size-and-weight, hazardous materials transportation, cargo security, or other laws and regulations ("Applicable Law"), and of all customer requirements provided to CONTRACTOR in writing. CONTRACTOR shall adhere to the following provisions of this Agreement to aid CARRIER in discharging CARRIER's legal duties and customer-service responsibilities:

8(a). Drivers. CONTRACTOR shall provide competent professional drivers who meet CARRIER's minimum driver qualification standards (part of CARRIER Policies and Procedures¹), all driver standards found in the Federal Motor Carrier Safety Regulations², and any other Applicable Law. As part of the driver qualification process, CONTRACTOR and CONTRACTOR's drivers shall authorize CARRIER to access applicable driver files, Driver Safety Measurement System ("DSMS") safety scores, and any other driver data or information available as part of FMCSA's CSA Driver Information Resource System ("DIRS"), both during the qualification process and at any time thereafter. Any driver CONTRACTOR furnishes other than CONTRACTOR shall be paid and otherwise treated by CONTRACTOR as CONTRACTOR's employee. CARRIER shall have the right to disqualify any driver (including CONTRACTOR) provided by CONTRACTOR if the driver is found to be unsafe, unqualified, unfit, uninsurable, or marginal, pursuant to federal or state law or the criteria established by the FMCSA's CSA DIRS, in violation of CARRIER's minimum qualification standards, or in violation of any requirements of CARRIER's customers (to the extent provided in Subsection (g) of this Section), as all amended from time to time. It is agreed that drivers with a recent history, which CARRIER deems unsatisfactory, of accidents, traffic convictions and/or serious traffic offenses will not meet CARRIER's minimum qualification standards. Upon approval of CONTRACTOR by CARRIER, CONTRACTOR shall be obligated to furnish competent, reliable and qualified professional driver(s), including, if applicable, CONTRACTOR, that meet the minimum qualification standards established by CARRIER. Whether or not following the disqualification of a driver, CONTRACTOR shall be free, at any time during this Agreement, to hire a substitute or additional driver or drivers, who, upon being declared qualified by CARRIER under the above minimum driver qualification standards, may begin operating under CONTRACTOR's direction and control in performing some or all of CONTRACTOR's obligations under this Agreement.

8(b). Paperwork Requirements. CONTRACTOR shall submit to CARRIER, on a timely basis, all properly completed, accurate, and legible driver logs and supporting documents (including originals or photocopies of toll receipts), physical examination certificates, accident reports, and any other required data, documents or reports, including any documentary evidence that CARRIER requests proving CONTRACTOR has paid all taxes legally due and owing to any government body. As required by 49 C.F.R. § 376.12(l), CARRIER shall 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 the term of this Agreement.

8(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, those of a Sublease Carrier to which the Equipment has been subcontracted, or as otherwise authorized by CARRIER, and shall indicate that the property transported is under the responsibility of CARRIER or a Sublease Carrier.

8(d). Medical Examinations. CONTRACTOR acknowledges that DOT requires all drivers to undergo a complete medical examination prior to being allowed to drive, in any capacity whatsoever, in CARRIER's motor carrier services.

¹ CARRIER's "Policies and Procedures" comprise the *FAF, Inc. Contractor Manual*, CARRIER's then-current edition of CARRIER's Rand McNally MileMaker® mileage guide, the Federal Motor Carrier Safety Regulations (see "Rules & Regulations" at www.fmcsa.dot.gov), as amended from time to time, Applicable Law, as defined in Section 8 of this Agreement, FMCSA's Compliance, Safety, Accountability ["CSA"] Safety Measurement System ("SMS") Methodology (Jan. 2012, Version 2.2), as amended from time to time and published online at <http://csa2010.fmcsa.dot.gov/about/basicsresources.aspx>, and related CSA materials available online at www.fmcsa.dot.gov, and Amendments to CARRIER Policies and Procedures, upon distribution in writing to CONTRACTOR a reasonable period in advance of the Amendment's effective date and time. CARRIER shall furnish a paper copy of the *Contractor Manual* to CONTRACTOR, at no charge, contemporaneously with the start of this Agreement and, during this Agreement, shall make the *Manual* available to CONTRACTOR on request for inspection at a CARRIER terminal during normal business hours at no charge. CARRIER shall furnish a paper copy of any amendments to the *Contractor Manual* to CONTRACTOR, at no charge, before the amendments go into effect.

² CONTRACTOR may, at CONTRACTOR's expense, inspect, download, and/or print the Federal Motor Carrier Safety Administration Regulations by accessing (including, on request, at any CARRIER terminal) the Federal Motor Carrier Safety Administration's "Rules & Regulations" web page indicated above. With respect to mileage guide, a third-party copyrighted mileage guide, CARRIER shall furnish to CONTRACTOR upon request and at no charge at any CARRIER terminal during normal business hours, prints of a commercially-reasonable number of particular CONTRACTOR-requested city-to-city mileage calculations. CONTRACTOR shall obtain up-to-date provisions of all other Applicable Law as needed on CONTRACTOR's own.

The examination shall be performed and shall include testing for use of controlled substances and alcohol. Drivers may be required to take follow-up examinations, from time to time, in accordance with the requirements of 49 C.F.R. §§ 391.41 *et seq.* Additionally, if in the judgment of CARRIER a further medical examination appears warranted, the examination shall be undergone. CONTRACTOR shall bear the expense of medical examinations for all of CONTRACTOR's drivers.

8(e). Drug and Alcohol Testing. CONTRACTOR and CONTRACTOR's drivers shall, as required by 49 C.F.R. §§ 382.103 and 382.601, comply with CARRIER's Drug and Alcohol Policy, including participation in CARRIER's random drug and alcohol testing program, and any addendums or revisions thereto. Violation of CARRIER's Drug and Alcohol Policy, or positive tests for prohibited drugs or alcohol, shall immediately disqualify CONTRACTOR's driver. CONTRACTOR shall bear the expense of the initial pre-contract drug test; CARRIER shall bear the expense of all other drug and alcohol tests.

8(f). Safe and Legal Operations.

8(f)(1). CONTRACTOR's Workers. CONTRACTOR shall ensure that CONTRACTOR and all of CONTRACTOR's drivers or other workers CONTRACTOR furnishes shall (A) drive or otherwise perform in a safe and prudent manner at all times so as to avoid endangering the public, the driver, and/or the property being transported; (B) adhere to and perform the terms of this Agreement, the requirements of all Applicable Law, CARRIER's operating authorities, and, conditioned only upon Point (A) of this Subsection, all customer requirements (to the extent provided by Subsection (g) of this Section), and CARRIER Policies and Procedures; and (C) not be involved in an "accident" that, in CARRIER's reasonable judgment, was "preventable" by CONTRACTOR's driver (including CONTRACTOR if CONTRACTOR is a driver), where "accident" and "preventable" carry the meanings assigned to those terms respectively by FMCSA, as quoted just below. In addition, CONTRACTOR shall furnish or shall cause each of CONTRACTOR's drivers to furnish CARRIER upon request the original copy of the "Invoice For Contract Services" and such other documents or other information which the DOT and/or other government agencies require that CARRIER maintain or submit.

8(f)(1)(A). FMCSA, in 49 C.F.R. § 390.5, has declared: "Accident means—

8(f)(1)(A)(1). Except as provided in paragraph (2) of this definition, an occurrence involving a commercial motor vehicle operating on a highway in interstate or intrastate commerce which results in:

- (i) A fatality;
- (ii) Bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or
- (iii) One or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle(s) to be transported away from the scene by a tow truck or other motor vehicle.

8(f)(1)(A)(2). The term accident does not include:

- (i) An occurrence involving only boarding and alighting from a stationary motor vehicle; or
- (ii) An occurrence involving only the loading or unloading of cargo."

8(f)(1)(B). FMCSA, in 49 C.F.R. Part 385, App. B (Explanation of Safety Rating Process), Pt. II(B) (Accident Factor), has declared: "Preventability will be determined according to the following standard: 'If a driver who exercises normal judgment and foresight could have foreseen the possibility of the accident that in fact occurred, and avoided it by taking steps within his/her control which would not have risked causing another kind of mishap, the accident was preventable.'"

8(f)(2). CSA Compliance. Beginning on the date FMCSA makes its Compliance Safety Accountability ("CSA") Program effective as to CARRIER's and CONTRACTOR's operations under this Agreement, CONTRACTOR, and any drivers of CONTRACTOR, shall at all times meet CSA safety standards sufficient to enable CARRIER to (a) achieve and maintain a "fit" or similar rating that enables CARRIER to operate without FMCSA intervention or restriction pertaining to any of the seven safety evaluation areas measured by CSA ("BASICS"); (b) obtain insurance coverage without increased costs associated with driver ratings or other such driver measurements or qualifications pertaining to drivers under CSA; and (c) be and remain competitive with similarly situated carriers with regard to quality of driver safety as measured under CSA.

8(g). Customer Requirements. CONTRACTOR shall adhere to and perform, with respect to each shipment offered by CARRIER under this Agreement, all service standards and other requirements of CARRIER's customers that have been

furnished to CONTRACTOR in writing, in hard-copy or electronic form, in advance of the shipment and that may reasonably be adhered to and performed without violating Applicable Law or other CARRIER Policies and Procedures or endangering the public, CONTRACTOR's driver, and/or the property being transported. In addition, If CARRIER's customer conditions CONTRACTOR's driver's access to facilities or freight upon the driver's passing the customer's own drug or alcohol tests or upon CONTRACTOR's or CONTRACTOR's drivers' meeting other personal, operational, or vehicular standards not imposed by Applicable Law, other CARRIER Policies and Procedures, or this Agreement, CONTRACTOR shall be free, and shall incur no CARRIER sanction as a result, to reject the tests and/or standards and to refuse CARRIER's offer of the customer's shipment.

8(h). Entity Existence Requirement. If CONTRACTOR is a sole proprietorship on the Effective Date (as defined on the signature page hereto), CONTRACTOR shall form its business into a business entity that demonstrates the formalization of his/her business consistent with the requirements of one or more states' laws by the deadline required by CARRIER. However, such deadline shall be no sooner than ninety (90) days from the Effective Date and may be extended upon written request of CONTRACTOR and in CARRIER's reasonable judgment. CARRIER agrees to make a loan to finance the related costs **as set forth under "Entity Formation" in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form) of this Agreement.** After formation as a formally recognized business entity, CONTRACTOR shall execute the documentation required by CARRIER to assign this Agreement from the sole proprietorship to the newly formed business entity. If CONTRACTOR fails to form a business entity or fails to execute and deliver an assignment as required under this Section 8(h), CARRIER shall have the right (i) to put the CONTRACTOR on dispatch hold or (ii) to terminate this Agreement immediately.

9. CONTRACTOR'S OPERATING EXPENSES.

9(a). Operating Expenses – In General. CONTRACTOR shall, at CONTRACTOR's expense, provide all the Equipment ready to operate and fully roadworthy, including the necessary licenses, permits, cab cards, and state IRP plates, and shall furnish all lubricants, fuel, tires (including changing or repairing tires), and other parts, supplies, equipment, and repairs necessary or required for the safe and efficient operation and maintenance of the 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, IRP plates, and licenses (and any unused portions of the fees, plates, or licenses), permits of all types, ferry, bridge, tunnel, and road tolls, detention and accessorial charges not collected by CARRIER because of CONTRACTOR's failure to provide the required documentation, and wages and other remuneration of drivers, drivers' helpers, and other personnel engaged by CONTRACTOR, worker's compensation insurance (or, if CONTRACTOR prefers, occupational accident insurance where both state law allows and CARRIER approves), unemployment insurance, payroll taxes, and employee benefits for these personnel.

9(b). Maintenance and Inspection. CONTRACTOR, at CONTRACTOR's expense, shall equip and maintain the Equipment in safe condition and in complete compliance with all laws and regulations of the states in which CONTRACTOR operates and the DOT. In order to ensure compliance with all DOT regulations, CONTRACTOR shall, at CONTRACTOR's expense, at the start of this Agreement, make the Equipment available for a full DOT inspection pursuant to 49 C.F.R. § 396.17 at a maintenance facility approved by CARRIER, and shall have any necessary maintenance or repairs done at CONTRACTOR's expense. CONTRACTOR may for this purpose furnish evidence acceptable to CARRIER of a full DOT inspection performed at a facility approved by CARRIER within six months preceding the date of this Agreement. During this Agreement, CONTRACTOR shall, at CONTRACTOR's expense, have a full DOT inspection performed no less often than once every one hundred eighty (180) days since the previous inspection at a maintenance facility approved by CARRIER. CONTRACTOR shall also make the Equipment available for inspection by CARRIER at any time upon reasonable request by CARRIER. CONTRACTOR shall provide CARRIER with a copy of the 180-day inspection report upon completion of the inspection, shall forward to CARRIER, at least monthly, a summary of all maintenance performed on the Equipment on a form prescribed by the CARRIER, and shall, as directed by CARRIER, promptly forward to CARRIER all other inspection, maintenance and repair records for the Equipment.

9(c). Fines and Penalties. Except as otherwise provided in Subsection (d) of this Section, CONTRACTOR agrees to pay all fines and penalties arising out of use of the Equipment under this Agreement, including but not limited to parking and traffic fines and penalties, imposed for violation of any law or regulation by the state, province, or locality in which CONTRACTOR operates, or by DOT, where the violation results, at least partially, from the acts or omissions of CONTRACTOR.

9(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, provinces, and localities 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 the trailers are preloaded and sealed, 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, at CARRIER's expense, weigh every heavy load that is destined for delivery beyond the Chicago commercial zone. CONTRACTOR shall be responsible for improperly permitted over-dimension and over-weight loads and 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.

9(e). License IRP Plates and Permits.

9(e)(1). IRP Plates. CONTRACTOR shall obtain, and properly display on the Equipment, the license IRP plates necessary to operate the Equipment lawfully on CARRIER's behalf. If CARRIER offers to obtain, and CONTRACTOR chooses to have CARRIER obtain, the IRP plates and deduct the expense from CONTRACTOR's settlement compensation (with an administrative fee to CARRIER), CONTRACTOR shall so indicate by initialing **Option 2** of Section 2(a) of Appendix A (CONTRACTOR Election Form). If in such case CONTRACTOR does not wish to have CARRIER obtain such plates, CONTRACTOR shall initial **Option 1** of Section 2(a) of Appendix A.

9(e)(2). Permits. CONTRACTOR shall ensure that all permits and licenses necessary for him/her to operate the Equipment lawfully on CARRIER's behalf have been obtained, at CONTRACTOR's expense, as detailed in Section 2(b) of Appendix A (CONTRACTOR Election Form).

9(f). Fuel and Mileage Tax Reporting. If CONTRACTOR elects, by initialing **Option 1** in Section 2(b) of Appendix A (CONTRACTOR Election Form), to obtain CONTRACTOR's own IFTA Fuel Tax Permit CONTRACTOR and perform CONTRACTOR's own fuel and mileage tax reporting, CONTRACTOR shall be solely responsible for calculating, reporting, and paying all fuel taxes owed for the operation of the Equipment; **and shall indemnify, defend, and hold CARRIER harmless against all claims arising out of or relating to the fuel tax reporting and payment, and the indemnity limits of Section 13(b) shall not apply.** If CONTRACTOR instead elects, by initialing **Option 2** in Section 2(b) of Appendix A, to have CARRIER perform (directly or through an outside vendor) all fuel and mileage reporting on CONTRACTOR's behalf, CONTRACTOR hereby agrees that:

9(f)(1). To facilitate the parties' compliance with the various states' tax reporting and payment laws (which generally hold the motor carrier liable if an independent vehicle operator performing transportation services on the carrier's behalf fails to make the required tax payments), CARRIER may agree, at its discretion, to include CONTRACTOR's Equipment in CARRIER's fuel tax account. In such case, CARRIER shall issue CONTRACTOR a fuel card to be used for all fuel purchases. CARRIER shall compute monthly and submit quarterly, in CONTRACTOR's name as indicated herein, as to all the applicable reports and payments of fuel taxes required of CONTRACTOR by the taxing bodies and authorities of the appropriate states, provinces, and other governmental bodies with respect to the Equipment operated under this Agreement. To assist in CARRIER's computing and payment of fuel taxes, CARRIER shall issue CONTRACTOR a limited-purpose credit card issued by a third-party financial-services company and made available by CARRIER ("CARRIER Advance Card") that CONTRACTOR may use for fuel purchases. CONTRACTOR and CONTRACTOR's drivers are free not to use CARRIER's Advance Card but, to the extent they choose not to, CONTRACTOR shall provide CARRIER promptly with all properly completed driver logs, original fuel receipts (each to be submitted with the corresponding log indicating the fuel purchase for which the receipt was obtained), original toll receipts, and an accurate accounting of all fuel purchases and miles traveled by state.

9(f)(2). CARRIER shall (A) deduct or otherwise recover pursuant to Section 5(a) of this Agreement monthly any net fuel use tax owed at that time with respect to CONTRACTOR's operations in all taxing jurisdictions combined, along with a quarterly flat charge, set forth in Section 2(b) of Appendix A, covering the permit fee and CARRIER's tax reporting administrative fee, but not any additional fuel tax that CONTRACTOR may owe, or (B) credit monthly to CONTRACTOR's next settlement any net fuel use tax credit or refund due CONTRACTOR at that time with respect to CONTRACTOR's operations in all taxing jurisdictions combined. CARRIER shall ensure that CONTRACTOR receives, at least quarterly, summaries of credits and debits for fuel taxes on a state-by-state basis either on CONTRACTOR's Settlement Statements or through separate accountings, at CARRIER's option.

9(f)(3). Ordinarily CARRIER shall compute CONTRACTOR's fuel use and mileage taxes on a fleetwide average basis. If, however, CONTRACTOR fails to use CARRIER's fuel card and/or fails to provide CARRIER complete and accurate fuel-tax-related records, as required by the second sentence of Section 9(f)(1) of this Agreement, in time for CARRIER's computation, CONTRACTOR must complete manual trip sheets which includes state(s) and number of miles driven in each state(s), and remit to CARRIER within 14 business days from completion of each trip.

9(g). Communications Equipment.

9(g)(1). Mobile Telephone. For safety and customer-service purposes, CONTRACTOR shall obtain, maintain in a fully-functioning condition, and carry at all times while operating the Equipment in CARRIER's service – and ensure that all of CONTRACTOR's drivers do the same – a wireless mobile telephone and maintain a corresponding contract for nationwide wireless telephone service, all at CONTRACTOR's expense, and shall supply to CARRIER in the signature block of this Agreement the telephone number(s) by which to reach the mobile telephone. CONTRACTOR shall furnish CARRIER a list of the mobile phone numbers of all of CONTRACTOR's drivers, and immediately update the list in a written notification to CARRIER whenever the drivers or numbers change.

9(g)(2). Communications Equipment. To serve CARRIER's Customers' demands and help fulfill government highway safety requirements, CONTRACTOR shall obtain, install, and maintain in an operable condition in each unit of Equipment, at CONTRACTOR's expense, a satellite or other communications system as follows:

9(g)(2)(A). Furnishing of Communications Equipment. CONTRACTOR is free to, at CONTRACTOR's expense, obtain, install in the Equipment, and maintain a communications system that is technically and functionally compatible with the system utilized by CARRIER, as specified in Section 4(a) of Appendix A (CONTRACTOR Election Form), by initialing **OPTION 1** in Section 4(b) of Appendix A. In the alternative, CONTRACTOR may elect, by initialing **OPTION 2** in this Section of Appendix A, to have CARRIER arrange to have installed, in the Equipment, the communications system utilized by CARRIER. CONTRACTOR agrees to keep the CARRIER-furnished communications system, which shall remain CARRIER's property, in an operable and functioning condition at all times that the Equipment is being operated in CARRIER's service.

9(g)(2)(B). Messaging Usage Charge. Whether CONTRACTOR elects to use his/her own compatible communications and tracking system to communicate with CARRIER or elects instead to have CARRIER arrange for the installation of a system in the Equipment, CARRIER shall deduct or otherwise recover pursuant to Section 5(a) of this Agreement a messaging usage charge in the amount stated in the Deductions Table in Section 3 of Appendix A.

9(g)(2)(C). Re-Installation of CARRIER-Furnished System. If CONTRACTOR shall replace the unit(s) of Equipment (tractor(s)), CONTRACTOR shall bear the expense of removal and re-installation of any CARRIER-furnished communications and tracking system in his/her replacement Equipment and hereby authorizes CARRIER to deduct or otherwise recover pursuant to Section 5(a) of this Agreement all such expense.

9(g)(2)(D). Return of CARRIER-Furnished System. CONTRACTOR shall be responsible for the return of each CARRIER-furnished communications system to CARRIER immediately upon any request from CARRIER or the termination of this Agreement, in accordance with Section 2 of this Agreement. A qualified technician selected by CARRIER shall remove the system. If the system is lost, damaged as a result of CONTRACTOR's negligence, or not returned upon request or upon termination of this Agreement, CONTRACTOR hereby authorizes CARRIER to deduct or otherwise recover pursuant to Section 5(a) of this Agreement the entire expense incurred by CARRIER in repairing or replacing the system, together with all collection costs. CARRIER shall not be responsible for any loss or damage to CONTRACTOR's Equipment arising or resulting from the installation, use, or removal of the CARRIER-furnished communications system. If CARRIER's data transmitting phone is not returned, the agreed replacement fee will be Seven Hundred and Fifty Dollars (\$750.00), which includes an administrative fee to CARRIER.

9(g)(3). Use of Communications Equipment. CONTRACTOR shall ensure that CONTRACTOR's drivers do not operate the voice, data, texting, or other features of any mobile phone, Tablet(s) or other communications device or system while driving, except in a health, safety, or security emergency.

10. CARGO CLAIMS. CONTRACTOR shall immediately report all cargo claims, including all shortages, overages, or other exceptions to the cargo, to CARRIER. **CONTRACTOR's indemnity obligation to CARRIER under Sections 13(a) and (b) of this Agreement shall apply to each cargo claim, including but not limited to, delay, shortages, misdelivery, and any direct damage claim relating to lost, damaged or contaminated loads, arising out of, or in connection with CONTRACTOR's services.**

11. USE OF CARRIER'S TRAILER. For every trailer, chassis, or other trailing equipment provided by CARRIER for CONTRACTOR's use, the following provisions apply:

11(a). CARRIER's Responsibilities. CARRIER shall be responsible for all expenses relating to regular maintenance of axles, brakes, and other electrical and mechanical systems, repairs of damage to the trailer attributable to reasonable wear and tear, and purchases of replacement tires, provided that all these expenses are approved by CARRIER before the work is performed.

11(b). CONTRACTOR's Responsibilities While Using CARRIER's Trailer. CONTRACTOR shall be responsible for daily pre-trip and post-trip inspections; proper inflation of tires; prompt informing of CARRIER upon experiencing defective or mal-performing tires, brakes, or other electrical or mechanical features of CARRIER's Trailer; and, at CONTRACTOR's expense, proper lubrication and all repairs of all damage to the trailer other than ordinary wear and tear, and CONTRACTOR hereby authorizes CARRIER to deduct or otherwise recover all these amounts pursuant to Section 5(a) of this Agreement. All trailer repairs and maintenance shall be performed at facilities designated or approved by CARRIER.

11(c). CONTRACTOR's Return of CARRIER's Trailer. CONTRACTOR agrees to return any CARRIER's Trailer in the same good condition as received by CONTRACTOR, reasonable wear and tear excepted, along with any and all other equipment and property belonging to CARRIER immediately upon CARRIER's request or upon termination of this Agreement. If the trailer is not in as good as condition (reasonable wear and tear excepted) as when it was delivered by CARRIER, CONTRACTOR hereby authorizes CARRIER to restore the trailer to proper condition and to charge back to CONTRACTOR the costs of these repairs or reconditioning. If CONTRACTOR for any reason fails to comply with this provision and return CARRIER's trailer, CONTRACTOR agrees to reimburse CARRIER for all reasonable expense, including attorney fees, incurred by CARRIER in recovery of CARRIER's Trailer or other property. CONTRACTOR agrees that if it is necessary for CARRIER to enter upon CONTRACTOR's private property or remove CONTRACTOR's private property in order to recover CARRIER's Trailer and other property, CONTRACTOR does hereby irrevocably grant CARRIER or CARRIER's duly authorized agents, permission to do so and **further agrees to indemnify and hold harmless CARRIER, and CARRIER's duly authorized agents, from any form of liability whatsoever in connection with the repossession.** CONTRACTOR shall be liable for, and pay, the entire amount for each incident involving damage, including but not limited to, towing charges, replacement costs for a total loss, arising out of, or in connection with, CONTRACTOR's use of CARRIER's Trailers, CARRIER's customer's trailers, other CARRIER equipment, or equipment of any other carrier. Before deducting any such damage from CONTRACTOR's compensation, CARRIER shall provide CONTRACTOR with a written explanation and itemization of the deduction. CONTRACTOR agrees and warrants that any trailer provided for use by CARRIER will be used by CONTRACTOR and CONTRACTOR's drivers to transport only shipments tendered to CONTRACTOR by CARRIER, except pursuant to a Trailer Sublease Addendum entered into by CARRIER and CONTRACTOR.

12. CRASHES, ACCIDENTS, INCIDENTS, AND CLAIMS. CONTRACTOR shall immediately report to CARRIER any crash, accident (whether or not "preventable" pursuant to Section 8(f)(1) of this Agreement), incident, potential or actual claim, bodily injuries, losses or damages (including to cargo and to any container, chassis, trailer, or tires provided by CARRIER or CARRIER's customers), shortages, over-weights, or overages to CARRIER involving CONTRACTOR's operations under this Agreement. If any such occurrence is not reported immediately to CARRIER, CONTRACTOR (1) shall risk disqualification of CONTRACTOR's driver (including CONTRACTOR, if a driver) and termination of this Agreement, pursuant to Sections 2(b), 8(a)(1), and 8(f)(1) of this Agreement, and (2) shall reimburse CARRIER for all expense incurred as a result of the delay in reporting. CONTRACTOR and CONTRACTOR's 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 crash, accident, incident, claim, or potential claim by or against CARRIER.

13. INDEMNIFICATION AND HOLD HARMLESS.

13(a). In General. Except to the extent CONTRACTOR's acts or omissions are covered under the parties' respective insurance policies as set forth in Section 6 of this Agreement and the Certificate of Insurance in Section 5(b) of Appendix A (CONTRACTOR Election Form) with no expense to CARRIER, CONTRACTOR agrees to defend, indemnify and hold harmless CARRIER from any loss, damage, delay, fine, civil penalty, including reasonable attorney's fees and costs of litigation, action, claim for injury to persons, including death, damage to property, cargo loss or damage, damage to CARRIER's Trailer, or other expense that CARRIER pays or otherwise incurs arising out of or in connection with CONTRACTOR's (including CONTRACTOR's agents' or employees') negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions. CONTRACTOR hereby authorizes CARRIER to deduct or otherwise recover pursuant to Section 5(a) of this Agreement any amounts due CARRIER under this Section 13. CARRIER shall furnish CONTRACTOR with a written explanation and itemization of any deduction for cargo or property damage before the deduction is made. If CONTRACTOR operates the Equipment for any purpose other than the carriage of CARRIER's lading, CONTRACTOR shall hold CARRIER harmless and indemnify CARRIER for any damage (including attorneys' fees) arising from this use. This Section shall remain in full force and effect both during and after the termination of this Agreement.

13(b). Indemnity Limits. With respect to any claim of Damages under Subsection (a) of this Section arising from (i) injury to persons including death, or damage to property (other than CARRIER's Trailer), (ii) cargo loss, damage, or delay, or (iii) damage to CARRIER's Trailer, CONTRACTOR's indemnity obligation under Subsection (a) of this Section shall, if CONTRACTOR has not previously elected to participate in CARRIER's Liability Limiter Program applicable to such type of Damages by appropriately initialing Section 5(c) of Appendix A (CONTRACTOR Election Form), be limited to paying CARRIER up to One Thousand Dollars (\$1,000.00) of the total amount CARRIER paid or otherwise incurred per occurrence. This dollar limit shall not apply to Damages arising out of or in connection with the claims if involving CONTRACTOR's (including CONTRACTOR's agents' or employees') gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions. The dollar limits set forth in this subsection shall apply to the aggregate of Damages arising from each occurrence, and not separately to each category of Damages, so that CONTRACTOR shall be not be responsible for more than \$1,000.00 in Damages arising out of or in connection with each occurrence.

13(c). CARRIER's Coverages. CARRIER has secured certain insurance policies and coverages directly relevant to certain risks and liabilities for which CONTRACTOR has agreed to indemnify CARRIER under this Section (for example, automobile liability, general liability, and cargo liability arising out of or in connection with CONTRACTOR's (including CONTRACTOR's agents' or employees') negligence, gross negligence, willful misconduct, or other culpable acts or omissions). These policies are expressly for the benefit of CARRIER and incidentally may benefit CONTRACTOR. Terms of the policies may change (for example, higher or lower deductibles, length of coverage, UM/UIM waivers or limitations, or insurance underwriters). CONTRACTOR has neither any obligations under the policies nor any right to change the terms of coverages.

13(d). Claims by CONTRACTOR or Other Contractors. Notwithstanding Subsection (a) of this Section and not subject to the limits of Subsection (b) of this Section, CONTRACTOR agrees to defend, indemnify, and hold CARRIER harmless from any claim by CONTRACTOR of loss of or damage to CONTRACTOR's Equipment or other property (and any related fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation) due to the negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions of CONTRACTOR or any other contractor of CARRIER (including agents or employees of CONTRACTOR or any other contractor of CARRIER, respectively); and from any claim by any other contractor of CARRIER of loss of or damage to the other contractor's truck, tractor, trailer, or other property (and any related fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation) due to the negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions of CONTRACTOR (including CONTRACTOR's agents or employees).

13(e). Reclassification. SECTION 16 AND OTHER PROVISIONS OF THIS AGREEMENT REFLECT THAT CONTRACTOR IS, AND BOTH CONTRACTOR AND CARRIER INTEND CONTRACTOR TO BE, AN INDEPENDENT CONTRACTOR, NOT AN EMPLOYEE OF CARRIER. IN LIGHT OF THIS FACT AND INTENT: Notwithstanding Subsection (a) of this Section and not subject to the limits of Subsection (b) of this Section, CONTRACTOR agrees to indemnify and hold CARRIER harmless from all reasonable attorney's fees and litigation expenses CARRIER incurs in defending against any claims, suits, actions, or administrative proceedings brought by CONTRACTOR, CONTRACTOR's owner (if any), or any employees or other personnel engaged by CONTRACTOR to perform services under this Agreement – or, at CONTRACTOR's instance or with CONTRACTOR's consent, by any union or other private organization or member of the public – that allege that CONTRACTOR or any of CONTRACTOR's workers is an employee of CARRIER, but fail to result in any final (upon completion of all appeals or the running of all applicable appeal periods) judicial or administrative decision holding the allegation to be true.

14. INDEMNIFICATION BY CARRIER.

14(a). CARRIER agrees to defend, indemnify, and hold CONTRACTOR harmless from any claim (including any for which CONTRACTOR is not indemnified by CARRIER's insurance) of direct, indirect, or consequential loss, damage, delay, fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation (together "Damages") that CONTRACTOR pays or otherwise incurs arising out of or in connection with CARRIER's (including CARRIER's agents' or employees') negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions. This indemnification shall not apply to any claim of loss or damage to the Equipment or to CONTRACTOR's other property, or to any claim arising out of or in connection with CONTRACTOR's operation of the Equipment for any purpose other than the performance of CONTRACTOR's obligations under this Agreement. CONTRACTOR shall furnish CARRIER with a written explanation and itemization of any claim for cargo or property damage. This Section shall remain in full force and effect both during and after the termination of this Agreement.

14(b). CARRIER's indemnity obligation under Subsection (a) of this Section shall, if involving CARRIER's (including CARRIER's agents' or employees') negligence, be limited to a maximum of Two Thousand Five Hundred dollars (\$2,500.00) of the total amount in Damages that CONTRACTOR paid or otherwise incurred per occurrence. This dollar limit shall not apply to Damages arising out of or in connection with the claims if involving CARRIER's (including CARRIER's agents' or employees') gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions.

14(c). CARRIER shall credit to CONTRACTOR's next Settlement Compensation any amounts due CONTRACTOR under this Section from CARRIER.

15. POSSESSION, ALTERNATIVE USES, AND IDENTIFICATION OF EQUIPMENT.

15(a). Exclusive Possession and Responsibility. CARRIER shall have exclusive possession, control, and use of the Equipment for the duration of this Agreement. CONTRACTOR may operate the Equipment for another motor carrier or entity during this Agreement only with the prior written consent of CARRIER only if done under a sublease between CARRIER and the other authorized carrier (including CONTRACTOR, if CONTRACTOR has the requisite motor carrier registration/operating authority(ies) and insurance) pursuant to 49 C.F.R. § 376.12(c)(2), as applicable and the terms of Subsection (b) of this Section. CARRIER shall not sublease the Equipment to another carrier without CONTRACTOR's prior written consent (which consent shall not be unreasonably withheld). CARRIER shall assume complete responsibility for the operation of the Equipment for the duration of this Agreement except when the Equipment is under sublease by CARRIER to another authorized carrier. Any sublease shall state that the sublessee-carrier 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 sublease. The foregoing declarations are made solely to conform to 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 CONTRACTOR's drivers are an independent contractor or an employee of CARRIER. As provided by 49 C.F.R. § 376.12(c)(4), "an independent contractor relationship may exist when a carrier complies with 49 U.S.C. § 14102 and attendant administrative requirements."

15(b). Alternative Uses of Equipment. At CONTRACTOR's request, CARRIER may, with respect to any trip or trips, approve uses of the Equipment to perform transportation services other than on behalf of CARRIER only under the terms and conditions set forth in this Subsection (b) of this Section. The other uses may consist of (together, "Alternative Uses of Equipment"): **(i) Sublease** – CARRIER subleases the Equipment (including driving services furnished by CONTRACTOR) to another authorized for-hire motor carrier of property ("Sublease Carrier") for the provision of for-hire motor carriage, exempt or non-exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, to Sublease Carrier's customers pursuant to Sublease Carrier's operating authority; **(ii) CONTRACTOR Motor Carriage** – CONTRACTOR uses CONTRACTOR's own motor carrier operating authority to provide for-hire motor carriage, exempt or non-exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, to a shipper (directly or through a motor freight broker), in which event, the provisions of this Subsection (b) relating to CONTRACTOR Motor Carriage shall be deemed to constitute the sublease required by 49 C.F.R. § 376.12(c)(2); and **(iii) Exempt Motor Carriage** – CONTRACTOR, lacking motor carrier operating authority of CONTRACTOR's own but possessing a validly-issued DOT Number, lawfully provides for-hire motor carriage, exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, to a shipper or private carrier (directly or through a motor freight broker).

15(b)(1). CARRIER's Authorization and Release. To obtain CARRIER's authorization for each Alternative Use of Equipment, CONTRACTOR shall take the following steps **before accepting a trip**:

15(b)(1)(A). For Alternative Uses of Equipment Involving Subleases. Have the Sublease Carrier complete, sign, date, and then fax, or scan and email, to CARRIER a sublease in the form appended as Appendix D of this Agreement ("Sublease"), together with the Sublease Carrier's certificate of insurance required by Section 5 of the Sublease;

15(b)(1)(B). For Alternative Uses of Equipment Involving CONTRACTOR Motor Carriage. Telephone or email CARRIER's dispatch and provide it with valid information about CONTRACTOR wishing to arrange the Alternative Use of Equipment – name, address, identification number (which shall be the U.S. Department of Transportation number for interstate private carriers, any applicable state number for intrastate private carriers, and the Federal Employer Identification Number for other private carriers and shippers), phone number, email address, and individual contact's name – and about the planned trips (dates, times, and city and state of pickup and delivery). CONTRACTOR shall obtain an oral or emailed release from CARRIER's dispatch. CONTRACTOR shall display the CARRIER release number on the trip sheet submitted to CARRIER after the trip; and

15(b)(1)(C). For Alternative Uses of Equipment Involving Exempt Motor Carriage. CONTRACTOR shall submit to CARRIER proof (including in the form of a printout of a search on <http://li-public.fmcsa.dot.gov>) that it has obtained a validly-issued DOT Number (and the name and State under which DOT has listed the DOT Number) and telephone or email CARRIER's dispatch and provide it with valid information about the shipper or private carrier (same information as required in Section 18(b)(1)(B) above) and about the planned trips (dates, times, and city and state of pickup and delivery). CONTRACTOR shall obtain an oral or emailed release from CARRIER's dispatch, and CONTRACTOR shall display the CARRIER release number on the trip sheet submitted to CARRIER after the trip.

15(b)(2). Compensation for All Alternative-Use-of-Equipment Operations. In connection with a Sublease or other Alternative Use of Equipment, CONTRACTOR agrees that:

15(b)(2)(A). CONTRACTOR shall submit any necessary Sublease- or other Alternative Use-related shipping documents to, and obtain settlement compensation directly and exclusively from, Sublease Carrier (in the case of Sublease trips) or the shipper or private carrier (in the case of CONTRACTOR Motor Carriage or Exempt Motor Carriage trips). Notwithstanding anything in this Agreement to the contrary, CARRIER shall have no responsibility for collecting freight charges or paying settlement compensation to CONTRACTOR for any Alternative-Use-of-Equipment trip; and

15(b)(2)(B). To avoid any implication that CARRIER is subsidizing CONTRACTOR's independent business use of the Equipment, CONTRACTOR shall pay CARRIER the per-trip Alternative-Use-Fee stated in the Deductions Table in Section 3 of Appendix A (CONTRACTOR Election Form) to help defray CARRIER's administrative, regulatory, state tax, and possible insurance costs in connection with the Alternative-Use-of-Equipment trip.

15(b)(3). CARRIER's Identification.

15(b)(3)(A). Subleases. For the duration of any Sublease, CONTRACTOR shall remove or cover up all of CARRIER's identification on the Equipment and display instead the Sublease Carrier's identification; and

15(b)(3)(B). CONTRACTOR Motor Carriage. For any trip under CONTRACTOR's own operating authority to provide for-hire motor carriage, exempt or non-exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, to a shipper or private carrier, CONTRACTOR shall remove or cover up all of CARRIER's identification on the Equipment and display instead CONTRACTOR's identification. If CONTRACTOR possesses interstate or intrastate operating authority and no other motor carrier booked the shipment, the shipment, even if exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, shall be deemed to be one involving CONTRACTOR Motor Carriage for purposes of this Subsection (b); and

15(b)(3)(C). Exempt Motor Carriage. For any trip by CONTRACTOR, lacking CONTRACTOR's own operating authority but possessing a validly-issued DOT Number, on which CONTRACTOR provides for-hire motor carriage, exempt from the jurisdiction of the U.S. Secretary of Transportation under 49 U.S.C. §§ 13501 *et seq.*, to a shipper or private carrier, CONTRACTOR shall remove from or cover up CARRIER's identification on the Equipment and shall display CONTRACTOR's DOT Number and DOT-listed name (or, if applicable, D.B.A. Name) on the Equipment for the duration of each Exempt Motor Carriage trip.

15(b)(4). Control of and Responsibility for the Equipment. As required by 49 C.F.R. § 376.12(c)(1), CARRIER, except for Sublease and CONTRACTOR Motor Carriage trips, shall with respect to the public have exclusive possession, control, and use of the Equipment, and assume complete responsibility for the operation of the Equipment, for the duration of this Agreement. For Sublease trips, CARRIER's sublease to Sublease Carrier shall, in accordance with 49 C.F.R. § 376.22(c)(2), provide that Sublease Carrier 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 Sublease. For CONTRACTOR Motor Carriage trips, which also constitute subleasing, CONTRACTOR 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 trip.

15(b)(5). Insurance. For Alternative-Use-of-Equipment trips, just as for trips performed on behalf of CARRIER, CARRIER's and CONTRACTOR's insurance obligations shall be as set forth in Sections 6(a) and (b) of this Agreement, provided that:

15(b)(5)(A). Subleases. As between Sublease Carrier and CARRIER, the sublease shall provide that Sublease Carrier's public liability insurance (bodily-injury/property-damage coverage and environmental restoration coverage) and cargo loss-and-damage insurance shall cover the Equipment for the duration of the Sublease; be in at least the amounts required by FMCSA regulations promulgated under 49 U.S.C. § 13906 and by applicable state laws (for public liability insurance, in a combined single limit of not less than the amount set forth in Section 6 of Appendix A

(CONTRACTOR Election Form), with a deductible no greater than the amount set forth in Section 6 of Appendix A (CONTRACTOR Election Form), for injury or death to any person or for damage to property in any one occurrence); and be primary to any insurance coverages that CARRIER may maintain; and

15(b)(5)(B). CONTRACTOR Motor Carriage. With respect to Alternative-Use-of-Equipment trips involving CONTRACTOR Motor Carriage (using CONTRACTOR's own operating authority), CONTRACTOR shall, and hereby warrants that CONTRACTOR does, maintain public liability insurance (bodily-injury/property-damage coverage and environmental restoration coverage) and cargo loss-and-damage coverage, in at least the amounts required by FMCSA regulations promulgated under 49 U.S.C. § 13906 and by applicable state laws (for public liability insurance, in a combined single limit of not less than the amount set forth in Section 6 of Appendix A (CONTRACTOR Election Form), with a deductible no greater than the amount set forth in Section 6 of Appendix A (CONTRACTOR Election Form), for injury or death to any person or for damage to property in any one occurrence), covering the Equipment for the duration of the Alternative-Use-of-Equipment trips. CONTRACTOR shall provide a valid certificate of insurance evidencing these coverages to CARRIER before accepting any Alternative-Use-of-Equipment trips involving CONTRACTOR Motor Carriage. On these trips, as between CONTRACTOR and CARRIER, CONTRACTOR's public-liability insurance and cargo loss-and-damage insurance policies shall be primary to any insurance coverages that CARRIER may maintain; and

15(b)(5)(C). Exempt Motor Carriage. CARRIER's public liability coverage and cargo loss-and-damage coverage pursuant to Section 6(a) of the Agreement shall apply to CONTRACTOR's Exempt Motor Carriage trips.

15(b)(6). Fuel Tax Reporting and Payment. With respect to fuel tax reporting for all Alternative-Use-of-Equipment trips (including a Sublease, CONTRACTOR Motor Carriage, or Exempt Motor Carriage), CARRIER shall be deemed the reporting entity with respect to the Equipment and the fuel consumed by the Equipment, and CARRIER shall perform (directly or through an outside vendor) all fuel and mileage reporting on CONTRACTOR's behalf. CONTRACTOR shall provide CARRIER promptly with all properly completed driver logs, original fuel receipts (each to be submitted with the corresponding log indicating the fuel purchase for which the receipt was obtained), original toll receipts, and an accurate accounting of all fuel purchases and miles traveled by state. CARRIER shall deduct or otherwise recover pursuant to Section 5(a) of this Agreement quarterly any amount described in Section 9(f) of this Agreement.

15(b)(7). International Registration Plan. With respect to International Registration Plan reporting for all Alternative-Use-of-Equipment trips (including a Sublease, CONTRACTOR Motor Carriage, or Exempt Motor Carriage), CARRIER shall be responsible for reporting all miles traveled by CONTRACTOR's Equipment and in what state(s). CONTRACTOR shall provide CARRIER promptly with documentation showing all miles traveled by state for each trip.

15(b)(8). Driver Logs. With respect to Sublease trips, CONTRACTOR shall submit a copy of all driver logs to both CARRIER and Sublease Carrier after each trip. All driver logs should name both CARRIER and Sublease Carrier; show all duty time for each 24-hour period of each trip; and the beginning and finishing time (designating a.m. or p.m.) worked for each identified motor carrier. Pursuant to 49 C.F.R. § 395.8(j), before each Sublease trip, CONTRACTOR shall provide to Sublease Carrier a signed statement stating CONTRACTOR's total time on duty during the immediately preceding seven days and the time at which CONTRACTOR was last relieved from duty prior to beginning work for CARRIER.

15(b)(9). Driver Vehicle Inspection Reports and Repair Records. With respect to Sublease and CONTRACTOR Motor Carriage trips, CONTRACTOR shall prepare and submit to CARRIER a written Driver Vehicle Inspection Report complying with the requirements of 49 C.F.R. § 396.11, and CARRIER shall obtain and maintain all records relating to repairs of the Equipment.

15(b)(10). Remaining Agreement Terms. In all other respects, the terms of this Agreement shall apply to CONTRACTOR's Alternative-Use-of-Equipment operations.

15(c). Identification of Equipment. CONTRACTOR shall apply, before placing the Equipment in CARRIER's service, to the outside of the Equipment such identification as CARRIER may designate in accordance with the requirements of all applicable federal, state, local, or foreign authorities, provided that CONTRACTOR shall first remove any paint, decals, or other items that, in CARRIER's reasonable judgment, would interfere with this identification or be otherwise offensive. 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 remove the identification at the termination of this Agreement or while operating the Equipment on behalf of any other carrier pursuant to Section 15(b) of this Agreement or for any purpose other than conducting CARRIER's business. CONTRACTOR further agrees to keep the Equipment in clean appearance and identified as described herein, at CONTRACTOR's expense. CARRIER agrees

that CONTRACTOR may display CONTRACTOR's name and address on the Equipment where required by applicable state law.

16. CONTRACTOR NOT EMPLOYEE OF CARRIER.

16(a). In General. It is expressly understood and agreed that CONTRACTOR is an independent contractor for the Equipment and driver services provided pursuant to this Agreement.

16(b). Certification of Status. CONTRACTOR shall provide necessary documentation and apply for certification of CONTRACTOR's independent-contractor status where mandated by applicable state law, including but not limited to, the State of South Dakota (where, if CONTRACTOR is domiciled in that State, CONTRACTOR shall successfully complete and submit to the proper authorities an Independent Contractor Verification Application, SD E-Form 1658).

16(c). Selection of Equipment, Maintenance, and Routes. Subject only to all Applicable Law and safety considerations, it shall be the sole responsibility of CONTRACTOR to select, purchase or lease, and finance the Equipment; to decide when, where, and how maintenance and repairs are to be performed on the Equipment; and to select all routes and decide all meal, rest, and refueling stops, *provided that* to meet CARRIER's customers' demands, CONTRACTOR agrees to make timely and safe deliveries of all loads, and also agrees to notify CARRIER when delivery has been made or when delivery will be delayed for any reason.

16(d). CONTRACTOR's Workers. Subject again only to all Applicable Law and safety considerations, CONTRACTOR hereby assumes full control and responsibility for the selection, training, hiring, setting of grooming and dress standards, disciplining, discharging, setting of hours, meal and rest breaks, wages, and salaries, providing for unemployment insurance, state and federal taxes, fringe benefits, workers' compensation insurance (or, if CONTRACTOR prefers, occupational accident insurance where both state law allows and CARRIER approves), adjustment of grievances, all acts and omissions, and all other matters relating to or arising out of CONTRACTOR's use or employment of drivers, drivers' helpers, and other personnel to perform any aspect of this Agreement. No person CONTRACTOR may engage shall be considered CARRIER's employee. CONTRACTOR shall be solely responsible for complying with any and all state, federal, local, and foreign laws applicable to the terms and conditions of employment of CONTRACTOR's employees or applicants for 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 highway use tax being currently paid when CONTRACTOR purchases a license; 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 CONTRACTOR's status as an independent contractor in fact. If CONTRACTOR should become involved in a labor dispute with his employees, he shall immediately report that fact to CARRIER. If the labor dispute interferes with CONTRACTOR's obligations to CARRIER, CONTRACTOR agrees to continue his operation for CARRIER, utilizing other employees not involved in the labor dispute. If CONTRACTOR fails to meet these obligations, this lease shall be subject to immediate cancellation by CARRIER.

16(e). Taxes.

16(e)(1). CONTRACTOR's Form of Business and Agreement to File Returns and Pay Taxes. As an independent contractor, CONTRACTOR is free to choose the form in which to operate CONTRACTOR's business. CONTRACTOR shall file all federal, state, local, and foreign income, withholding, employment, and federal heavy vehicle use tax forms and returns that CONTRACTOR may be required by law to file, on account of CONTRACTOR and all drivers, drivers' helpers, and other workers used by CONTRACTOR in the performance of this Agreement at the time and place that may be specified in the applicable federal, state, local, and foreign laws, and to pay when due all taxes and contributions reported in the forms and returns. In that regard, CONTRACTOR knows:

16(e)(1)(A). Of CONTRACTOR's responsibilities to pay estimated social security taxes and state and federal income taxes with respect to remuneration received from CARRIER;

16(e)(1)(B). That the social security tax CONTRACTOR must pay is higher than the social security tax the individual would pay if he or she were an employee; and

16(e)(1)(C). That the service provided by CONTRACTOR to CARRIER pursuant to this Agreement is not work covered by the unemployment compensation laws of any state, including Georgia; provided, however, that should CONTRACTOR employ or use drivers, helpers, or other workers to fulfill CONTRACTOR's obligations under this Agreement, and the drivers, helpers, or other workers are covered by the unemployment laws of any state, including Georgia, CONTRACTOR is solely responsible for providing unemployment insurance for the drivers, helpers, or other workers.

16(e)(2). Access to CONTRACTOR's Tax Records. CONTRACTOR agrees to furnish CARRIER the evidence of compliance with the foregoing as CARRIER shall reasonably require, including but not limited to proof of income and payroll taxes currently paid by CONTRACTOR (including as provided in Subsection (f) below) or withheld by CONTRACTOR from the wages of CONTRACTOR's drivers and other workers. CONTRACTOR shall provide CARRIER with its Federal Employer Identification Number (F.E.IN.) as well as a copy of any evidence of the existence of CONTRACTOR's corporation for independent business. CONTRACTOR represents that it has its own place of business for performance of its obligations under this Agreement. CONTRACTOR's place of business is independent of CARRIER's place of business.

16(e)(3). CONTRACTOR's Required Submission of IRS Form 4669 to CARRIER. CARRIER shall, itself or through an agent, file federal income tax IRS Form 1099s with the Internal Revenue Service with respect to CONTRACTOR if the amount of compensation CARRIER pays CONTRACTOR during a calendar year reaches the level at which federal law requires the forms to be filed. For each Form 1099 filed, CARRIER shall, itself or through an agent, furnish CONTRACTOR with both a copy of the completed Form 1099 and a copy of IRS Form 4669, entitled "Statement of Payments Received" on which CARRIER shall have filled in CONTRACTOR's name and address as "Payee" (Line 1), CONTRACTOR's Social Security Number or Federal Taxpayer ID Number (Line 2), CARRIER's name and address as "Payor" (Line 3), the Calendar Year for which the Form 1099 was filed (Line 4), and the "Amount of Payments [to CONTRACTOR] on Which Income Tax and Social Security Tax Were Not Withheld" by CARRIER [the amount reported on the Form 1099] (Line 5). **CONTRACTOR shall fill out the remaining Lines 6, 7 (if applicable), 8, 9, and 10, sign (Line 11), and date (Line 12) of the Form 4669, and mail or otherwise deliver the original signed form to CARRIER or CARRIER's designated agent within thirty (30) days of filing, with the IRS, an income tax return or employment tax return relating to the income reported on the Form 1099.**

16(f). The Parties' Financial Obligations if CONTRACTOR Is Determined to Be an Employee. If, whether on CONTRACTOR's initiative or not, CONTRACTOR is declared to be an employee of CARRIER by any federal, state, local, or foreign court, administrative agency, or other governmental body ("Reclassification Decision"), CONTRACTOR and CARRIER hereby agree that this Agreement shall be rescinded back to the time of its formation and that both parties shall be returned to their respective positions before this Agreement was signed. Specifically, CONTRACTOR and CARRIER agree that notwithstanding any other provision of this Agreement:

16(f)(1). CONTRACTOR shall, upon the Reclassification Decision becoming final and no longer appealable, immediately (A) owe CARRIER, for each week or other period this Agreement was in effect, all gross compensation under Section 3 and Appendix B (CONTRACTOR Compensation Rates), less any charge-backs under Section 5(a) of this Agreement, previously paid to CONTRACTOR by CARRIER; (B) shall relinquish all rights in any balances in required or voluntary escrow funds then under CARRIER administration that are traceable to compensation previously paid to CONTRACTOR by CARRIER; and (C) shall owe CARRIER any cash advances provided by CARRIER to CONTRACTOR that CONTRACTOR used for personal, household, or other expenses not in performance of CONTRACTOR's obligations under this Agreement or that CONTRACTOR retained unspent. CONTRACTOR shall be entitled to deduct from these amounts any expenses (including, for Equipment, other equipment, or tools used in performing work for CARRIER, any actual rent or installment-purchase payments made by CONTRACTOR or, if none, payments that would equal fair-market rent for items of similar kind, age, and condition) CONTRACTOR incurred in performance of CONTRACTOR's obligations under this Agreement that were not covered by charge-backs or paid by CARRIER;

16(f)(2). CARRIER shall, upon the Reclassification Decision becoming final and no longer appealable, immediately owe CONTRACTOR, for all work activities during each week or other period this Agreement was in effect (including any activities for which CARRIER has not yet paid CONTRACTOR), only the then-applicable federal minimum hourly wage or, if higher, a State's then-applicable minimum hourly wage but only to the extent CONTRACTOR's wage-earning activities occurred in that State, multiplied by CONTRACTOR's total hours actually performing on-duty work for CARRIER, consisting of both driving and non-driving time, under the FMCSA Hours of Service Regulations, 49 C.F.R. Part 395, or under a State's hours of service regulations to the extent applicable. The total hours worked shall be computed based on any relevant, reliable evidence, which may include estimates or projections based on CONTRACTOR Settlement Statements, driver logs, shipment and/or vehicle tracking data, bills of lading, fuel receipts, toll receipts, and testimony; and

16(f)(3). Because reclassification of CONTRACTOR's status from independent contractor to employee would fundamentally change the parties' contracting assumptions and expectations, either party may, immediately upon initial issuance (even if appealed or appealable) of a Reclassification Decision, terminate this Agreement on one day's notice to the other. The provisions of this Subsection shall be deemed to survive any termination of this Agreement.

17. COMPLETION OF PERFORMANCE. If, in CARRIER's judgment, CONTRACTOR has subjected CARRIER to liability because of CONTRACTOR's acts or omissions relating to a shipment, including the failure to complete delivery of a shipment or the abandonment of CARRIER's Trailer(s), CARRIER may take possession of the shipment entrusted to CONTRACTOR and complete performance. In this event, CONTRACTOR shall waive any recourse against CARRIER for the action and CONTRACTOR authorizes CARRIER to deduct or otherwise recover from CONTRACTOR pursuant to Section 5(a) of this Agreement 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 performance.

18. CONTRACTOR NOT REQUIRED TO PURCHASE PRODUCTS, EQUIPMENT, OR SERVICES FROM CARRIER. CONTRACTOR is not required to purchase or rent any products, equipment, or services from CARRIER as a condition of entering into this Agreement. If CONTRACTOR elects to purchase or rent equipment from CARRIER or from any third party, for which the purchase or rental contract gives CARRIER the right to make deductions from CONTRACTOR's settlement, the terms of each contract shall be specified in an Appendix or Addendum to this Agreement.

19. PASSENGER 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 in accordance with that regulation. Before passenger authorization will be given by CARRIER, CONTRACTOR (or CONTRACTOR's driver) and the passenger requesting authorization shall submit a fully executed Passenger Authorization and Release of Liability form to CARRIER for prior approval, and CONTRACTOR shall have furnished CARRIER a Certificate of Insurance for passenger liability coverage meeting all the requirements of Sections 6(b)(3) and (c) of this Agreement. CARRIER will not approve, and CONTRACTOR will not permit, more passengers than the number of seat belts that are available for use in accordance with Applicable Law. CONTRACTOR agrees not to permit any passenger to operate or be in charge of the Equipment at any time for any purpose whatsoever, or to be outside the truck cab during loading or unloading.

20. LOADING AND UNLOADING. If the shipper or consignee does not assume loading and unloading responsibilities, CONTRACTOR shall, at CONTRACTOR's expense and with no additional compensation therefor unless otherwise indicated in Appendix B (CONTRACTOR Compensation Rates), be responsible for the loading or unloading of property transported on behalf of CARRIER.

21. CONFIDENTIALITY. CONTRACTOR hereby recognizes and acknowledges that any list of CARRIER's customers, as it may exist now or from time to time, is a valuable, special and unique asset of the business of 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 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, including without limitation rates, tonnage and specific requirements of customers of CARRIER 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 the Confidential Matters as the sole property of CARRIER, and shall not publish, disclose or disseminate the same to others without the written consent of CARRIER. In the event of any material breach or threatened material breach by CONTRACTOR of the provisions of this Section, 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 shall not in any way induce other contractors or employees of CARRIER, or a CONTRACTOR employee, for the purpose of entering into a relationship to solicit or do business with customers of CARRIER with whom CONTRACTOR had business while performing this Agreement, said restriction to be in effect during the term of this Agreement and for a period of one (1) year thereafter. CONTRACTOR agrees and acknowledges that the obligations of this paragraph are not inequitable, and that it will not be deprived of a gainful occupation by enforcement of this paragraph. CONTRACTOR agrees that CARRIER will be irreparably damaged in the event of any material 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 any of the provisions of this Section 21. 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 injunctive 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 the material breach, including the recovery of monetary damages from CONTRACTOR.

22. BENEFIT AND ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors. CONTRACTOR may not assign or subcontract all or a portion of CONTRACTOR's obligations to another party without the prior written consent of CARRIER. CARRIER shall be authorized to assign or subcontract this Agreement or any rights or obligations hereunder without the prior written consent of CONTRACTOR. This Agreement shall not be deemed to inure to the benefit of any third party or person not party to this Agreement.

23. NOTICES. All notices required or permitted by this Agreement shall be in writing (unless permitted elsewhere in this Agreement to be oral) and shall be deemed to have been fully given (a) upon delivery if delivered in person, by facsimile transmission, or, if both parties have signed Appendix C, by the electronic means specified in that appendix; (b) on the next business day after being deposited with an overnight delivery company with the express charges prepaid; or (c) on the date indicated on the return receipt, or if there is no receipt, on the third business day after being deposited in the United States Mail with first-class postage prepaid. In each event, the notice shall be properly addressed to the other party at the address or fax number shown at the end of this Agreement or in the manner indicated in Appendix C. CARRIER and CONTRACTOR shall be under a continuing duty to provide a correct address and telephone number to the other party, and CARRIER and CONTRACTOR (if the latter has a fax machine) to provide a correct fax number to the other. Notice of an address, telephone-number, or fax-number change shall be given in writing.

24. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be governed by the laws of the United States and of the State of Tennessee, without regard to the choice-of-law rules of that State or any other jurisdiction. **THE PARTIES FURTHER AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT OR OTHERWISE WITH RESPECT TO THE OVERALL RELATIONSHIP BETWEEN THE PARTIES, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN LAW (INCLUDING BUT NOT LIMITED TO 49 C.F.R. PART 376), SHALL BE BROUGHT EXCLUSIVELY IN STATE OR FEDERAL COURTS SERVING Greene County, Tennessee. CARRIER AND CONTRACTOR HEREBY CONSENT TO THE JURISDICTION OF THESE COURTS.**

25. FORM OF AGREEMENT AND MISCELLANEOUS PROVISIONS.

25(a). General. The subject headings of the sections and subsections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. References in this Agreement to CONTRACTOR as "it" and "its" shall be read as "he/she," "him/her," and "his/hers," respectively, if CONTRACTOR is a natural person, rather than a corporation, limited liability company, partnership, or other entity. All dollar amounts specified in this Agreement are based on U.S. Dollars. All references to "days" mean calendar days. This Agreement may be executed in counterparts. Original, faxed, or otherwise-imaged signatures shall be equally valid, as shall assent by the electronic means specified in Appendix C of this Agreement if both parties have signed that appendix.

25(b). Severability. If any provision (including any sentence or part of a sentence) of this Agreement (including its appendixes and addendums) is deemed invalid for any reason whatsoever, this Agreement shall be void only as to the provision, and this Agreement shall remain otherwise binding between the parties. Any provision voided by operation of the foregoing shall be replaced with provisions that shall be as close to the parties' original intent as permitted under applicable law.

25(c). Waiver. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provisions whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be deemed effective or binding upon either party unless executed in writing by the party making the 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 the provision or right, nor shall the failure or refusal be deemed a customary practice contrary to the provision or right.

25(d). Complete Agreement.

25(d)(1). Complete Agreement. This Agreement (including the Appendices and any addendums) shall constitute the entire agreement between CARRIER and CONTRACTOR pertaining to the subject matter contained herein and fully replaces and supersedes all prior and contemporaneous agreements, representations, and understandings, except as provided in Paragraph 2 of this Subsection.

25(d)(2). Credits and Debits Under Previous Agreement Between Parties. Any CONTRACTOR escrow fund balances under any written agreement between the Parties that this Agreement replaces shall be credited to CONTRACTOR's Escrow Fund under this Agreement. All compensation and other amounts due CONTRACTOR from CARRIER, and all advances and other amounts due CARRIER from CONTRACTOR, pursuant to the predecessor agreement, shall remain due and payable. The amounts of compensation for trips started, and the amounts of advances and other amounts due CARRIER, before the effective date of this Agreement shall be determined under the predecessor agreement; the payment procedures shall be determined under this Agreement; and the payment timing shall be determined under the predecessor agreement or this Agreement, whichever requires payment earlier.

25(d)(3). Amendments. No supplement, modification, or amendment to this Agreement shall be binding unless in writing and signed by both CARRIER and CONTRACTOR (including, if both parties have signed Appendix C, by the electronic means specified in that appendix), except as otherwise provided with respect to deductions in Section 5(c) and insurance deductions in Section 6(f) of this Agreement.

25(e). Copies of This Agreement and Statement of Lease. CARRIER shall, as set forth in 49 C.F.R. § 376.12(l), keep the original of this Agreement, with a copy to be retained by CONTRACTOR. Pursuant to 49 C.F.R. § 376.11(c)(2), a "Statement of Lease" shall be carried on the Equipment for those periods that the Equipment is operated by or for CARRIER under this Agreement.

IN WITNESS WHEREOF, CARRIER and CONTRACTOR hereby sign this Agreement. This Agreement shall begin at 12:01 a.m. Eastern Time on the later of the two dates in the signature block below ("Effective Date") and end at 11:59 p.m. Eastern Time on August 15, 2018, unless terminated sooner by either party ("Termination Date").

By signing below, CONTRACTOR acknowledges that, as reflected in the terms of this Agreement:

- **CONTRACTOR is NOT an employee of CARRIER, and all aspects of the relationship between CONTRACTOR and CARRIER are based on CONTRACTOR's status as an independent contractor;**
- **CONTRACTOR has agreed to be responsible for the operating expenses incurred in connection with his/her business operations;**
- **CONTRACTOR's agreement to take responsibility for his/her expenses is an indispensable term of this Agreement but for which CARRIER would not have agreed to pay the gross compensation stated above or entered into this Agreement;**
- **The gross compensation CARRIER agrees to pay is not intended to ensure that CONTRACTOR covers his/her operating expenses, but instead to provide the amount of revenue sufficient, in the relevant market for such services, to convince a contractor-business both to provide, maintain, fuel, legally-credential, and otherwise operate suitable and dependable Equipment and to provide and pay a qualified professional driver or drivers to drive that Equipment; and**
- **The gross compensation paid to CONTRACTOR is MORE than CARRIER would pay an employee to perform professional driving services, which reflects the reality of the marketplace, in that CARRIER cannot attract contractors willing to take the entrepreneurial risk of funding and running their own businesses by paying merely the personal-services wage that they could get as employees.**

**CARRIER: FAF, Inc. d/b/a Forward Air
Transportation Services, Inc.**

CONTRACTOR: _____

Check one: Corporation
 Limited Liability Company
 Partnership
 Sole Proprietorship

Organized in State of: _____

With Employer ID No.: _____

OR Social Security No. (last 4 digits only): _____

By: _____
Signature

By: _____
Signature

Authorized Rep.'s Name (Typed or Printed)

Authorized Rep.'s Name (Typed or Printed)

Title

Title

Address (Street, P.O. Box)

Address (Street, P.O. Box)

City, State & Zip Code

City, State & Zip Code

Mobile Telephone Number

Fax Number

Mobile Telephone Number

Fax Number

Email Address

Email Address

Date

Date

RECEIPT FOR POSSESSION OF CONTRACTED VEHICLE(S)

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

Equipment received at _____ on _____, 20____ at
____:____ o'clock ____M.

FAF, Inc. d/b/a Forward Air Transportation Services, Inc. ("CARRIER")

By: _____
(CARRIER Representative)

Printed Name

RECEIPT FOR RETURN OF CONTRACTED VEHICLE(S)

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

Equipment received at _____ on _____, 20____ at
____:____ o'clock ____M.

By: _____
(CONTRACTOR Representative)

Printed Name

Appendix A

CONTRACTOR ELECTION FORM

1. **EQUIPMENT.** The commercial motor vehicle equipment ("Equipment") governed by this Agreement consists of:

Equipment Type (Specify Tractor or Trailer)	Year	Make	Model	Serial (VIN) #	CARRIER Unit #

2. **IRP PLATES, PERMITS, AND FUEL AND MILEAGE TAX REPORTING**

2(a). IRP Plates. CONTRACTOR may elect to obtain IRP plate(s) required by Section 9(e)(1) of this Agreement for CONTRACTOR's Equipment tractor and, if any, CONTRACTOR's Equipment trailer by initialing **OPTION 1**, "CONTRACTOR shall obtain own plate..." below under "TRACTOR" and, if applicable, "TRAILER." Alternatively, CARRIER may offer to obtain plates for CONTRACTOR by initialing one of the two alternatives below:

CARRIER SHOULD INITIAL ONE OF THESE TWO ALTERNATIVES:

_____ ALTERNATIVE 1: CONTRACTOR **MAY** elect to have CARRIER obtain IRP plate(s) for CONTRACTOR's Equipment tractor and, if any, CONTRACTOR's Equipment trailer by initialing the applicable **OPTION 2** choices below.

_____ ALTERNATIVE 2: CARRIER **WILL NOT** offer to obtain IRP plate(s) for CONTRACTOR's Equipment tractor or, if any, CONTRACTOR's Equipment trailer. CONTRACTOR shall obtain own plate for CONTRACTOR's Equipment tractor and, if any, CONTRACTOR's Equipment trailer.

IF ALTERNATIVE 2 IS INITIALED BY CARRIER, THE PLATE OPTIONS BELOW ARE NOT AVAILABLE TO CONTRACTOR AND NONE SHOULD BE INITIALED.

If CARRIER has initialed Alternative 1 above, then CONTRACTOR may elect to initial **OPTION 2**, "CARRIER shall obtain plate..." under "Tractor" and "Trailer" below. Under each **OPTION 2**, CARRIER shall initially pay the amount owed to the issuing jurisdiction for the plate(s), and deduct or otherwise recover that expense, plus the administrative fee(s) indicated below to CARRIER, pursuant to Section 5(a) of this Agreement. If this Agreement is terminated prior to CONTRACTOR's complete reimbursement of CARRIER's expense, CARRIER is hereby authorized to deduct any remaining amount from CONTRACTOR's final settlement and/or Escrow Fund. If CONTRACTOR removes and returns the plate(s) to CARRIER upon the termination of this Agreement and if CARRIER then receives a refund or credit for the plate(s) or resells the plate(s) to another contractor, CARRIER shall refund to CONTRACTOR a prorated share of the amount received by CARRIER, less any transfer or replacement fees owed to the plating jurisdictions: **CONTRACTOR SHOULD INITIAL ONE OPTION UNDER "TRACTOR" AND ONE OPTION UNDER "TRAILER":**

TRACTOR –

_____ **OPTION 1:** CONTRACTOR shall obtain own plate for CONTRACTOR's Equipment tractor; **OR**

_____ **OPTION 2:** CARRIER shall obtain an apportioned plate under the International Registration Plan for CONTRACTOR's Equipment tractor and deduct or otherwise recover pursuant to Section 5(a) of this Agreement the annual estimated amount CARRIER will owe the issuing jurisdiction for the plate, \$33.00 per week, which shall be adjusted up or down to match the actual amount billed to CARRIER.

2(b). Permits and Fuel and Mileage Tax Reporting. Certain governmental permits and licenses, which are the financial responsibility of CONTRACTOR under Section 9(e)(2) of this Agreement, must be maintained, to authorize CONTRACTOR to provide services to CARRIER legally and fuel and mileage tax reporting must be performed under Section 9(f) of this Agreement.

2(b)(1). TRACTOR-Eligible Permits and Fuel Tax Reporting. Under the International Fuel Tax Agreement ("IFTA"), an annual fuel tax permit must be obtained, and quarterly fuel taxes must be reported and paid to the IFTA base state, for the Equipment's operations nationwide. In addition, certain other permits issued by States are required for CONTRACTOR to operate lawfully in and through their territory. CONTRACTOR may, by initialing the line to the left of **OPTION 1** below, elect to obtain the IFTA permit and all other required permits (that CONTRACTOR, as opposed to CARRIER, is eligible under Applicable Law to apply for) on CONTRACTOR's own and to perform (or have a third-party vendor perform) all fuel and mileage tax reporting with respect to the Equipment, in accordance with Section 9(f) of this Agreement. Alternatively, CONTRACTOR may, by initialing the line to the left of **OPTION 1** below, elect to have CARRIER obtain all these permits – covering the selection of States that CONTRACTOR designates by initialing one of the five Packages under **OPTION 2**, and to have CARRIER perform all fuel and mileage tax reporting with respect to the Equipment, in accordance with Section 9(f) of this Agreement, for the flat charge indicated.

TRACTOR SHOULD INITIAL ONE OF THE FOLLOWING TWO OPTIONS:

_____ **OPTION 1:** CONTRACTOR shall obtain IFTA and all other permits required for operations under this Agreement and that a CONTRACTOR is eligible under Applicable Law to apply for, and CONTRACTOR shall perform all fuel and mileage tax reporting, with respect to the Equipment at CONTRACTOR's expense; **OR**

_____ **OPTION 2:** CARRIER shall obtain the IFTA permit and all other required permits (that CONTRACTOR, as opposed to CARRIER, is eligible under Applicable Law to apply for), and CARRIER shall perform all fuel and mileage tax reporting services, with respect to the Equipment. CARRIER shall deduct or otherwise recover pursuant to Section 5(a) of this Agreement a flat charge of \$55, comprising the permit fees, but not any additional fuel tax that CONTRACTOR may owe.

2(b)(2). CARRIER-Eligible Permits. If CONTRACTOR wishes to be eligible to handle shipments in or through the State of NY (which requires purchase of a New York Highway Use Tax Permit), or to haul hazardous materials in or through the States of CA, CO, ID, MN, NV, OH, or WV (which, individually or through the Alliance, require purchase of hazardous materials transportation permits), or to haul intrastate on CARRIER's behalf in those States that impose initial per-vehicle filing fees for intrastate authority permits – all of which categories of permits only CARRIER, not CONTRACTOR, is eligible under Applicable Law to apply for – CARRIER shall obtain the permits and deduct or otherwise recover the amount CARRIER paid to the issuing jurisdiction, with no administrative fee to CARRIER, pursuant to Section 5(a) of this Agreement.

2(c). Return of Permits. All permits and licenses issued in CARRIER's name shall be returned to CARRIER upon termination of this Agreement. No refund shall be made to CONTRACTOR by CARRIER of the permit costs upon termination of this Agreement, even if returned permits are reused by CARRIER. CONTRACTOR shall be liable to CARRIER for all expenses incurred by CARRIER due to CONTRACTOR's failure to return all the permits.

2(d). Settlement Deductions For Plates, Permits, and Fuel-Tax Reporting. For plates, CARRIER shall deduct from CONTRACTOR's Settlement Compensation at thirty-three dollars (\$33.00) per settlement, beginning the first week of services provided by CONTRACTOR under this Agreement, until the full amount is recovered. For all permits, fuel tax reporting (not including any additional fuel tax CONTRACTOR may owe) if any, and other items under this Section of this Appendix, CARRIER shall deduct the total expense of fifty-five (\$55.00) dollars, beginning the first week of service provided by CONTRACTOR under this Agreement. Thereafter, CARRIER shall be authorized to otherwise deduct or recover, pursuant to Section 5(a) of this Agreement, the remaining amount, if any, that CONTRACTOR owes.

2(e). Itemization Available for Fees. CONTRACTOR may, upon request, obtain an itemization of the fees CARRIER has advanced for CONTRACTOR pursuant to this Section of this Appendix, the portion of the total already paid by CONTRACTOR, and the portion remaining. This itemization shall separately identify each plate amount paid to the issuing

jurisdiction, plus CARRIER's administrative fee and any fee to a third-party service, under Section 2(a) above;; the costs of each covered individual state permit, CARRIER fuel-reporting charge, CARRIER's administrative fee, and the total price for CONTRACTOR's selected Package under Subsection 2(b)(1) above; the costs of each CARRIER-Eligible permit fee under Subsection 2(b)(2) above; and the cost, plus CARRIER's administrative fee, for Other Services/Fees under Subsection 2(d) above.

3. DEDUCTIONS TABLE. Pursuant to Section 5(a) of this Agreement, CONTRACTOR hereby authorizes CARRIER to deduct or recover the items in the Deductions Table below. Where no dollar figure is listed in the Deductions Table, the deductions will vary in amount and will be computed as indicated in the column headed "Amount of Deduction or Method of Computation." Except as otherwise indicated in that column or in another provision of this Agreement or Addendum, (a) CARRIER shall charge CONTRACTOR no administrative ("admin.") fee or markup and (b) CARRIER shall credit CONTRACTOR with all rebates, discounts, credits, or refunds that correspond to particular deductions and that CARRIER receives while the Agreement is in effect or, in the case of taxes and fees, even after the Agreement is terminated.

[This Appendix A continues on the following page.]

CHARGE-BACK OR DEDUCTION ITEM	AMOUNT OF DEDUCTION OR METHOD OF COMPUTATION
Advance check	If CONTRACTOR elects, with CARRIER's prior written consent, to use a CARRIER advance check to pay any of CONTRACTOR's expenses under this Agreement, CARRIER shall charge back the amount advanced.
Claims - Damages, losses, fines, penalties, court costs, attorneys' fees, and other expenses (together "Damages") that CARRIER pays or otherwise incurs arising out of or in connection with CONTRACTOR's negligence, gross negligence, willful misconduct, or other culpable acts or omissions under this Agreement § 13(a) subject to the indemnity limits set forth in Agreement § 13(b)	Amount CARRIER paid or otherwise incurred, subject to indemnity limits set forth in Agreement § 13(b), if applicable
C.O.D. charges	Amount of freight revenue from shippers, sublease carriers, or others not collected, or collected but not remitted, by CONTRACTOR to CARRIER when these actions were required by this Agreement
Communications equipment - Charges for loss of, damage to, or de-installation of communications and tracking equipment under Agreement § 9(g)(2) if CONTRACTOR elects, by so indicating in Section 4(b) of this <u>Appendix</u> , to have CARRIER furnish and install the equipment, of CARRIER's choosing, in CONTRACTOR's tractor EQUIPMENT	Amount paid to third-party vendor or otherwise incurred by CARRIER; \$21.00 per week
Detention, accessorial, and other customer-charge revenue not collected by CARRIER from CARRIER's customer because of CONTRACTOR's failure to transmit to CARRIER the necessary documentation supplied by the shipper or consignee	Amount CARRIER was unable to collect from customer as a result of CONTRACTOR's failure to transmit to CARRIER the necessary documentation supplied by the customer, <u>provided that</u> no charge-back shall be made to CONTRACTOR if he/she contacted CARRIER's dispatch regarding issue prior to departure from customer (consignor or consignee) location
Drug and alcohol testing to the extent the responsibility of CONTRACTOR under Agreement § 8(e)	Amount CARRIER paid outside vendor
Earnings Adjustment , pursuant to <u>Appendix B (CONTRACTOR Compensation Rates)</u> , § 3	See <u>Appendix B (CONTRACTOR Compensation Rates)</u> , § 3
Entity Formation for any CONTRACTOR operating as a sole proprietorship on the Effective Date under Agreement § 8(h)	Amount CARRIER loaned CONTRACTOR to pay state filing fees for entity formation <i>plus</i> aggregate expenses for a third-party service, including, but not limited to, a local attorney, to assist with such entity formation up to \$500; \$20.00 per week
Equipment inspection - all DOT inspection charges when performed at a qualified repair shop and at CARRIER shop Equipment inspection (cont.)	Amount CARRIER paid outside vendor or if CONTRACTOR elects to obtain products or services from CARRIER's affiliated maintenance and parts vendor, the amount CARRIER incurred for parts and labor, plus markups resulting in prices (which shall be provided to CONTRACTOR upon request at the time CONTRACTOR places order) competitive with other vendors in the relevant market(s)
Equipment purchase/rental	See Addendum for Equipment Lease and/or Rental Charges

Escrow Fund contributions	See Agreement § 7(a) and the following: Principal Amount: \$1,000.00 for the 1 st vehicle and \$500.00 per vehicle for each subsequent vehicle resulting in a net increase to the CONTRACTOR'S fleet. Interest shall be paid at the rate set forth in Agreement, 7(d).
Express mail, U.S. First Class Mail, or other package delivery services if CONTRACTOR charges them to CARRIER's account with the delivery service vendor	Amount CARRIER paid to U.S. Postal Service or other package delivery service vendor
Fines and penalties, including traffic tickets and related court costs, attorneys' fees, and other legal expenses, that Agreement §§ 9(c) and (d) make CONTRACTOR responsible for	Amount CARRIER paid or otherwise incurred
Fuel and mileage taxes and fuel tax reporting	See Agreement § 9(f) and Section 2(b) of this <u>Appendix</u>
Garnishment orders (including but not limited to child-support payments and IRS levies)	Amount CARRIER paid in compliance with any lawfully issued order or lien, a copy of which CARRIER shall supply to CONTRACTOR at or before the first deduction relating to it, with no admin. fee to CARRIER. After termination of, but not during, this Agreement, CARRIER shall deduct from CONTRACTOR's Escrow Fund (after all deductions authorized by this Deductions Table) the portion of any garnishment or lien amount due that exceeds the balance in CONTRACTOR's Settlement Compensation.
Insurance coverages CONTRACTOR elects, via the CERTIFICATE OF INSURANCE in Section 5(b) of this <u>Appendix</u> , to have CARRIER facilitate or that CARRIER maintains at CARRIER's initial expense because CONTRACTOR failed to provide proper evidence of the purchase or maintenance of the required coverages under Agreement § 6(d)	See Section 5(b) of this <u>Appendix</u> . The following costs of insurance to CONTRACTOR consist of amounts the insurer(s) charged for the required and optional coverages CONTRACTOR selected (and for those required coverages with respect to which CONTRACTOR failed to provide CARRIER proper evidence of CONTRACTOR's purchase and maintenance of them), which costs are subject to possible increases (see Agreement § 6(e)), plus 10% of insurance cost per type of coverage: <u>Monthly cost (initially):</u> 1. Non-Trucking Liability Insurance: SEE COVERAGE OVERVIEW 2. Occupational Accident Insurance: SEE COVERAGE OVERVIEW 3. Physical Damage Insurance on Tractor Equipment: SEE COVERAGE OVERVIEW
Liability Limiter Program charges	See Section 5(c) of this <u>Appendix</u> . The cost of the Auto, Trailer, and Cargo Liability Limiters and Physical Damage deductible buy down, if elected by CONTRACTOR SEE COVERAGE OVERVIEW (see Agreement § 6(e))
Licensing (IRP Plate) fees if CONTRACTOR elected, by so indicating in Section 2(a) of this <u>Appendix</u> , to have CARRIER pay the fees in advance	See Agreement § 9(e)(1) and Section 2(a) of this <u>Appendix</u>
Licensing (permit) fees under Section 2(b) of this <u>Appendix</u>	See Agreement § 9(e)(2) and Section 2(b) of this <u>Appendix</u>
Loan payments if CONTRACTOR elects, with CARRIER's consent, to borrow an amount from CARRIER to cover cost of maintenance, repairs, or other expenses	Weekly payments based on principal and interest agreed to by CONTRACTOR and CARRIER, as reflected in Addendum for CARRIER Loan

Maintenance, repairs, parts, and replacement tires for Equipment if CONTRACTOR elects, and CARRIER each time agrees, to have CARRIER advance funds for the purchase and charge CONTRACTOR back for it	Amount CARRIER paid outside vendor or, if CONTRACTOR elects to obtain products or services from CARRIER's affiliated maintenance and parts vendor, the amount CARRIER incurred for parts and labor
Medical examinations to the extent Agreement § 8(d) requires CONTRACTOR to pay for them	Amount CARRIER paid outside vendor
Motel guestroom and other charges if CONTRACTOR elects to have CARRIER advance these charges	Amount CARRIER paid outside vendor
Operating expenses not otherwise listed in this table for which CONTRACTOR is responsible under this Agreement and regarding which CARRIER receives a purchase order or invoice or is otherwise requested by CONTRACTOR to make an expenditure in the first instance	Amount CARRIER paid or otherwise incurred.
Parking charges	Amount CARRIER paid or otherwise incurred.
Performance completion charges – in general , pursuant to Agreement § 17, for CARRIER's cost of completing a shipment or other assignment CONTRACTOR undertakes but does not complete for any reason (including CONTRACTOR's dropping a load at a facility CARRIER operates or utilizes rather than at the consignee's location)	Amount CARRIER paid or otherwise incurred pursuant to Agreement § 17. If non-completion is excusable in CARRIER's reasonable judgment, compensation shall be paid to CONTRACTOR for the portion of the trip CONTRACTOR made.
Recertification of DOT Physicals	Amount CARRIER paid or otherwise incurred.
Refilling Fee for requalifying drivers and team after initial driver or teams	Amount CARRIER paid outside vendor for drug and alcohol testing, medical examination(s), motel guestroom (if any) and any and all other related charges <i>plus</i> a fee of \$50 per application.
Roadside Assistance , consisting of, among other services, towing, vehicle jumpstart, fuel, oil, fluid and water delivery, vehicle winching/extricating, navigational assistance, lockout/key replacement, hotel & travel discounts, flat tire change (see policy for additional details and limitations)	SEE COVERAGE OVERVIEW
Security Kit	One Hundred Eighty Dollars (\$180.00) for less-than-truckload ("LTL") drivers and Four Hundred Fifty Dollars (\$450.00) for truckload ("TLX") drivers (fully reimbursed to CONTRACTOR if returned in original condition upon termination of this Agreement)
Termination-related expenses pursuant to Agreement § 2(c)	Amount CARRIER paid or otherwise incurred and a one Hundred Dollar (\$100.00) administrative fee to cover CARRIER's costs. See Agreement § 2(c)
Tolls for highways, bridges, tunnels, ferries, and other facilities	Amount CARRIER paid to toll authority
Travel cost (bus, air, taxi, or other passenger fares) if CONTRACTOR needs to travel due to an accident or other CARRIER-approved trips	Amount CARRIER paid outside vendor
Truck washes if CONTRACTOR uses CARRIER's account	Amount CARRIER paid outside vendor
Weigh scales	Amount CARRIER paid outside vendor

4. CONTRACTOR agrees that CARRIER may charge back to CONTRACTOR any other expenses or cost incurred by CARRIER for which CONTRACTOR is responsible for under this Agreement or as otherwise agreed to by the parties. CONTRACTOR hereby waives any objection to any charge back item unless CONTRACTOR notifies CARRIER of CONTRACTOR's disagreement with such charge back within thirty (30) days of the charge back.

(b) Exceptions.

(i) Beginning with the first full month following the twenty-fourth (24th) month after which CONTRACTOR began performing services for CARRIER under this Agreement or predecessor agreements, the chargeback listed above for IRP base plates will not be applied, and (notwithstanding Section 11 of this Agreement), CARRIER shall acquire, or reimburse CONTRACTOR for, such IRP base plate. At its option, CARRIER may obtain the plate or reimburse CONTRACTOR once per month for the pro-rated monthly cost of the plate.

(ii) Beginning with the first full month following the twelfth (12th) month after which CONTRACTOR began performing services for CARRIER under this Agreement or predecessor agreements, the chargeback listed above for Qualcomm and permit fees shall not be applied, and (notwithstanding Section 11 of this Agreement) at its option, CARRIER may obtain, or reimburse CONTRACTOR for, such permits.

5. COMMUNICATIONS EQUIPMENT.

5(a). Specified Equipment Types.

5(a)(1). Communications Equipment Options. In accordance with Section 9(g)(2) of this Agreement **(CONTRACTOR SHOULD INITIAL ONE OF THESE TWO OPTIONS):**

_____ **OPTION 1:** CONTRACTOR shall furnish and install his/her own communications system compatible with the CARRIER Tablet in the Equipment tractor; **OR**

_____ **OPTION 2:** CARRIER shall arrange to have a communications system & tablet installed in the Equipment tractor at CARRIER's expense. **IF CONTRACTOR INITIALS THIS OPTION, CONTRACTOR SHALL ALSO SIGN THE ATTACHED RECEIPT.**

Under either OPTION 1 or OPTION 2, CARRIER shall deduct or otherwise recover pursuant to Section 5(a) of this Agreement a messaging usage charge in the amount set forth in Section 3 of this Appendix (the amount being based on the average per-truck messaging usage charges to CARRIER by the third-party vendor and including no mark-up or administrative charge benefiting CARRIER).

6. INSURANCE.

6(a). Insurance Limits, Deductibles, and Other Specifics.

6(a)(1). CARRIER's Personal Injury/Property Damage Insurance shall have a combined single limit of not less than One Million dollars (\$1,000,000) primary policy for injury or death to any person (including a passenger) or for damage to property in any one occurrence, with a deductible for personal-injury or property-damage claims no greater than One Thousand (\$1,000).

6(a)(2). CONTRACTOR's Non-Trucking Liability Insurance shall have a combined single limit of not less than One Million Dollars (\$1,000,000.00) for injury or death to any person or for damages to property in any one occurrence with no deductible.

6(a)(3). CONTRACTOR's Workers' Compensation Insurance shall provide principal coverage in the State of Tennessee.

6(a)(4). CONTRACTOR's Passenger Insurance. If CONTRACTOR wishes to carry passengers in the Equipment (subject to Carrier so authorizing in advance pursuant to Section 46 of this Agreement), CONTRACTOR shall procure, carry, and maintain passenger liability insurance that shall provide coverage to CONTRACTOR whenever the Equipment is being operated (whether or not on behalf of CARRIER) in a combined single limit, and aggregate limit of liability, of not less than three hundred thousand Dollars (\$300,000) aggregate for injury or death to any person riding as a passenger in the Equipment or for damages to that person's property in any one occurrence. Such coverage shall be no less comprehensive than the coverage CARRIER will facilitate on CONTRACTOR's behalf if CONTRACTOR so chooses, as provided in Section 5 of this Appendix. In addition, such coverage shall be primary to any other insurance

that may be available from CARRIER. CONTRACTOR shall be responsible for all deductible amounts and for any loss or damage in excess of the policy limit..

6(a)(5). CONTRACTOR's Other Insurance. The State in which CARRIER's insurance policies are delivered and under whose law CONTRACTOR, pursuant to Section 6(b)(4) of this Agreement, authorizes CARRIER to waive, reject, or reduce no-fault, uninsured, and underinsured motorist coverage from CARRIER's insurance policies is Tennessee.

6(b). Certificate of Insurance. CONTRACTOR hereby requests CARRIER, through CARRIER's insurer, to facilitate on CONTRACTOR's behalf (if they are available) the insurance coverages CONTRACTOR has selected by placing CONTRACTOR's initials in the right-hand column below:

TYPE OF COVERAGE	INITIAL "YES" TO REQUEST COVERAGE
<p>1. <u>Non-Trucking Liability Insurance:</u></p> <p><i>Name of Insurer:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Policy No:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Effective Date(s) of Coverage:</i> From the effective date (below) of this Certificate of Insurance through the next succeeding April 1, and each subsequent annual renewal period, subject to CONTRACTOR's payment of insurance cost and other policy terms and conditions</p> <p><i>Amount of Coverage:</i> \$1,000,000 combined single limit per occurrence</p> <p><i>Current Cost to CONTRACTOR:</i> SEE MOST RECENT COVERAGE OVERVIEW (includes administrative fee)</p> <p><i>Deductible for Which CONTRACTOR Is Liable:</i> \$0 per occurrence</p>	<p>____ YES</p> <p>____ NO</p>
<p>2. <u>Occupational Accident Insurance:</u></p> <p><i>Name of Insurer:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Policy No:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Effective Date(s) of Coverage:</i> From the effective date (below) of this Certificate of Insurance through the next succeeding April 1, and each subsequent annual renewal period, subject to CONTRACTOR's payment of insurance cost and other policy terms and conditions</p> <p><i>Amount of Coverage:</i> \$ 1,000,000 per occurrence</p> <p><i>Current Cost to CONTRACTOR:</i> SEE MOST RECENT COVERAGE OVERVIEW (includes administrative fee)</p> <p>[COVERAGE IS AVAILABLE ONLY TO A SOLE-PROPRIETOR CONTRACTOR WHO IS EXCLUSIVE DRIVER OF THE EQUIPMENT.]</p> <p><i>Deductible for Which CONTRACTOR Is Liable:</i> \$0 per accident</p>	<p>____ YES</p> <p>____ NO</p>
<p>3. <u>Physical Damage Insurance on Tractor:</u></p> <p><i>Name of Insurer:</i> SEE MOST RECENT COVERGE OVERVIEW</p> <p><i>Policy No:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Effective Date(s) of Coverage:</i> From the effective date (below) of this Certificate of Insurance through the next succeeding April 1, and each subsequent annual renewal period, subject to CONTRACTOR's payment of insurance cost and other policy terms and conditions</p> <p><i>Amount of Coverage:</i> CONTRACTOR-specified value of tractor or straight truck of</p>	<p>____ YES</p> <p>____ NO</p>

TYPE OF COVERAGE	INITIAL "YES" TO REQUEST COVERAGE
<p>\$_____ (any tractor or straight truck claims, however, shall be paid at only the fair market value of insured tractor or straight truck at time of occurrence, in accordance with insurance policy)</p> <p><i>Current Cost to CONTRACTOR:</i> SEE MOST RECENT COVERAGE OVERVIEW (includes administrative fee)</p> <p><i>Deductible for Which CONTRACTOR Is Liable:</i> SEE MOST RECENT COVERAGE OVERVIEW</p>	
<p>4. <u>Health Insurance (Contractor's Spouse and/or Family):</u></p> <p><i>Name of Insurer:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Policy No:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Effective Date(s) of Coverage:</i> From the effective date (below) of this Certificate of Insurance through the next succeeding September 1, and each subsequent annual renewal period, subject to CONTRACTOR's payment of insurance cost and other policy terms and conditions</p> <p><i>Amount of Coverage and Deductible/Co-Pay for Which CONTRACTOR Is Liable:</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Current Cost to CONTRACTOR:</i> SEE MOST RECENT COVERAGE OVERVIEW (includes administrative fee)</p>	<p>____ YES</p> <p>____ NO</p>

6(c). Liability Limiter Program. Contractor hereby elects to participate in Company's Liability Limiter Program buying down the total deductible responsibility to \$500 per occurrence for each of auto, cargo and trailer liability by placing Contractor's initials in the right-hand column below:

LIABILITY LIMITER PROGRAM TYPE OF INDEMNITY	INITIAL "YES" TO REQUEST PARTICIPATION
<p>1. <u>Auto, Cargo, Trailer Damage, CONTRACTOR truck damage:</u></p> <p><i>Name of Insurer:</i> SEE MOST RECENT COVERAGE OVERVIEW.</p> <p><i>Policy No</i> SEE MOST RECENT COVERAGE OVERVIEW</p> <p><i>Upon participation, CONTRACTOR's indemnification obligations to CARRIER shall be limited to \$500.00 per occurrence for any claim of Damages for personal injury(including death) or property damage, Damages to o CARRIER's Trailer, and any claim of Damages to cargo (but see Note below). This dollar limit shall not apply to Damages arising out of or in connection with the claims if involving CONTRACTOR's (including CONTRACTOR's agents' or employees') gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions.</i></p>	<p>____ YES</p> <p>____ NO</p>

NOTE: The dollar limits set forth in the above table shall apply to the aggregate of Damages arising from each occurrence, and not separately to each category of Damages, so that CONTRACTOR shall be not be responsible for more than \$2,500.00 in Damages arising out of or in connection with each occurrence.

7. ALTERNATIVE USES OF EQUIPMENT: Insurance Limits and Deductibles. The insurance limits and deductible amounts in Sections 15(b)(5)(A) and (B) of this Agreement shall be not less than one million dollars (\$1,000,000) and no greater than one thousand dollars (\$1,000), respectively.

8. **METHOD OF DELIVERY OF SETTLEMENT STATEMENT.** CARRIER shall deliver Settlement Statements, including any attachments, to CONTRACTOR through the OPTION specified by CONTRACTOR below:

CONTRACTOR SHOULD INITIAL ONLY ONE OF THESE FOUR OPTIONS (on the line to the left):

_____ **OPTION 1 (U.S. First Class Mail):** CARRIER shall send the Settlement Statements to CONTRACTOR by U.S. First Class Mail to the address required by Section 23 (Notices) of this Agreement.

_____ **OPTION 2 (Pickup):** CONTRACTOR shall personally pick up the Settlement Statements to from CARRIER's Terminal.

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS APPENDIX A AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGATURE PAGE OF THIS AGREEMENT]

Appendix B

CONTRACTOR COMPENSATION RATES

1. **MILEAGE BASED COMPENSATION.** CARRIER shall pay CONTRACTOR mileage compensation for all “dispatched” miles as determined by the most recent edition of CARRIER’s Rand McNally MileMaker® Mileage Guide using practical miles. CONTRACTOR shall not be compensated for any out of route miles, or bobtail or deadhead miles, unless such miles are “dispatched,” meaning miles expressly authorized in advance by CARRIER as miles for which compensation will be paid.

A. For services in CARRIER’s less-than-truckload (“LTL”) operations, the default rates, in the absence of CONTRACTOR specific rating, shall be:

Loaded Solo Miles:	\$0.98 per mile
Dispatched Empty Solo Miles:	\$0.98 per mile

Solo loaded compensation shall increase by \$0.005 per mile beginning with shipments loaded on the second (2nd) anniversary of this Agreement (or the earliest predecessor agreement pursuant to which equipment and driver services were furnished by CONTRACTOR to CARRIER) with a maximum mileage rate of \$1.015 being reached on the eighth (8th) anniversary of this Agreement or the earliest predecessor agreement.

Loaded Team Miles:	\$1.08 per mile
Dispatched Empty Team Miles:	\$0.98 per mile

Team loaded compensation shall increase by \$0.01 per mile beginning with shipments loaded on the second (2nd) anniversary of this Agreement (or the earliest predecessor agreement pursuant to which equipment and driver services were furnished by CONTRACTOR to CARRIER) with a maximum mileage rate of \$1.13 being reached on the sixth (6th) anniversary of this Agreement or the earliest predecessor agreement.

B. For services in CARRIER’s Truckload Xpedited (“TLX”) operations, the default rates, in the absence of CONTRACTOR specific rating, shall be:

Loaded – Solo Miles:	\$1.06 per mile
Dispatched Empty Solo Miles:	\$0.98 per mile

Solo loaded compensation shall increase by \$0.005 per mile beginning with shipments loaded on the second (2nd) anniversary of this Agreement (or the earliest predecessor agreement pursuant to which equipment and driver services were furnished by CONTRACTOR to CARRIER) with a maximum mileage rate of \$1.095 being reached on the eighth (8th) anniversary of this Agreement or the earliest predecessor agreement.

Loaded Team Miles:	\$1.15 per mile
Dispatched Empty Team Miles:	\$0.98 per mile

Team loaded compensation shall increase by \$0.01 per mile beginning with shipments loaded on the second (2nd) anniversary of this Agreement (or the earliest predecessor agreement pursuant to which equipment and driver services were furnished by CONTRACTOR to CARRIER) with a maximum mileage rate of \$1.20 being reached on the sixth (6th) anniversary of this Agreement or the earliest predecessor agreement.

C. For all services with CONTRACTOR-specific rating, including, but not limited to, local pick-up and delivery services, see the attached Compensation Schedule and disregard Sections 2 and 3 of this Appendix B which shall not apply.

2. **ADDITIONAL COMPENSATION.** CARRIER shall also, in addition to the compensation set forth in Section 2 above, pay CONTRACTOR performing standard or specialty LTL or TLX services, as applicable:

A. Provision of Newer Equipment. CONTRACTOR shall be paid an additional \$0.02 per loaded and dispatched empty mile if the Equipment with which the services are provided was, as of the January 1 next preceding the loading of the applicable shipment, no more than 5 (five) model years old. For this purpose, “model year” means the “model year” shown on the certificate of title for the Equipment. By way of example, 2014 model year equipment would qualify for the additional compensation for shipments loaded through the end of calendar 2018.

- B. Hazardous Materials Endorsement. CONTRACTOR shall be paid an additional \$0.02 per loaded and dispatched empty mile if the driver or drivers performing the services hold a Commercial Driver's License with a Hazardous Materials endorsement, provided that for team operations, each driver must hold a Commercial Driver's License with a Hazardous Materials endorsement to receive such additional compensation.
- C. Tolls, NY Bridges, Scales and Trailer Repairs. CARRIER shall reimburse CONTRACTOR for all toll, NY bridge, scale and/or trailer repair expenses incurred by CONTRACTOR in providing the services contemplated by this Agreement at a rate of 100% provided CONTRACTOR provides CARRIER with all receipts necessary for CARRIER to verify each reimbursable expense.
- D. Layover. CARRIER shall pay CONTRACTOR \$100 for solos and \$150 for teams where a tractor is away from its domicile terminal and available for twenty-four (24) hours or more without commencing services on a dispatched load.

3. **FUEL SURCHARGE.** CONTRACTOR shall be entitled to a fuel surcharge based upon the following calculation (all miles shall be determined using the most recent edition of CARRIER's Rand McNally MileMaker® mileage guide) for standard LTL and TLX services:

Straight Trucks = Current Department of Energy ("DOE") weekly regional average - \$1.62 divided by 6.0 gallons x miles (straight trucks)

Tractor/Trailer = Current DOE weekly regional average - \$1.62 divided by 6.0 gallons x miles

4. **CHANGES IN AND AD HOC COMPENSATION.**

- A. **Temporary Change.** CARRIER and CONTRACTOR may make a temporary change in CONTRACTOR's compensation to be paid for one or more services relating to a shipment or shipments under this Agreement by both parties' signing (either manually or, as indicated in Subsection (b) of this Section, electronically) an addendum, setting forth the change in advance of any hauling assignments to which the change will apply. CONTRACTOR shall be under no obligation to accept the change in compensation by signing such an addendum, and CARRIER shall not terminate this Agreement for CONTRACTOR's failure to do so (except to the extent the procedure below for an "Ongoing Change" is followed), although, in this event, CARRIER is hereby authorized not to assign CONTRACTOR loads covered by the change in the meantime. The temporary change shall not be effective for more than fifteen (15) days.
- B. **Ongoing Change.** If any aspect of CONTRACTOR's compensation will be changing on an ongoing basis, CARRIER shall provide CONTRACTOR a proposed addendum containing the change at least fifteen (15) days in advance by hand, fax, overnight delivery, U.S. First Class Mail, or if the parties have agreed to these forms of communication by both signing Appendix C of, or a similar addendum to, this Agreement, by the electronic means specified in that appendix. If CONTRACTOR wishes to continue operating on CARRIER's behalf, CONTRACTOR shall, by the effective date and time shown on the addendum, consent to the change by either manually signing the addendum and delivering it to CARRIER by hand, fax, overnight delivery, OR, if both parties have signed Appendix C of, or a similar addendum to, this Agreement, by signing the addendum by the electronic means specified in that appendix. If CONTRACTOR does not take one of these actions consenting to the change within the time indicated on the addendum, the addendum shall operate as a notice of termination under Section 2 of this Agreement, and this Agreement shall terminate as of the date and time set forth on the addendum, provided that, in this event, CONTRACTOR shall not be subject, either before or after termination, to the change(s) proposed in the addendum.
- C. **Addendums.** CARRIER shall promptly deliver to CONTRACTOR a paper copy of each executed addendum, which, if CONTRACTOR signed electronically, shall show the fact and date of CONTRACTOR's electronic approval. CONTRACTOR shall then attach the executed addendum to this Agreement.
- D. **Additional Ad Hoc Compensation.** Notwithstanding anything in this Appendix B or elsewhere in this Agreement to the contrary, CARRIER and CONTRACTOR may negotiate and agree orally to ad hoc additions to CONTRACTOR's compensation to be paid for one or more services relating to a shipment or shipments under this Agreement, including, but not limited to, local pickup and delivery work, detention pay and out of route miles, and such additional compensation shall be made according to the details and specifications of each ad hoc agreement made between CARRIER and CONTRACTOR.

5. **EARNINGS ADJUSTMENTS.**

- A. **Percentage of Gross Revenue.** When CONTRACTOR's revenue is based upon a percentage of gross revenue, CARRIER shall give CONTRACTOR, before or at the time of settlement, a copy of the rated freight bill (manifest) 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. If a computer-generated document is provided, CONTRACTOR shall be permitted, during normal business hours, to view a copy of any actual document underlying the computer-generated document
- B. **Billing Error.** If CARRIER discovers and corrects an error in, or in CARRIER's sole judgment decides to retroactively increase or decrease, the amount of any item billed to CARRIER's customer on a shipment that CONTRACTOR hauled and for which CONTRACTOR was compensated pursuant to a percentage of Adjusted Gross Revenue, CARRIER shall credit to, or deduct from, CONTRACTOR's gross compensation at the next settlement a share – corresponding to the percentage of the revenue normally payable to CONTRACTOR for the shipment – of the additional amount CARRIER actually collects or refunds in remedying the error. CARRIER shall provide CONTRACTOR, before or at the time of settlement, with a copy of the amended rated freight bill or a computer-generated document that contains the same information, or, in the case of contract carriage, any other form of documentation actually used for a shipment containing the same information that would appear on a rated freight bill, and shall otherwise meet the requirements of Section 4(b) of this Agreement with respect to the shipment.
- C. **Billed Amount Uncollectible.** If, after making a commercially reasonable effort to do so, CARRIER is unable to collect from a customer the full amount of any item billed to the customer for a shipment that CONTRACTOR hauled and for which CONTRACTOR was compensated pursuant to a percentage of Adjusted Gross Revenue, CARRIER shall deduct from CONTRACTOR's gross compensation at the next settlement a share of the unpaid amount that corresponds to the percentage of the revenue normally payable to CONTRACTOR for the shipment. CARRIER shall give CONTRACTOR, before or at the time of settlement, a written explanation of CARRIER's efforts to collect from CARRIER's customer and the computation of the amount being deducted from CONTRACTOR's gross compensation, Escrow Fund, and any other amounts due CONTRACTOR from CARRIER.

6. **TIMING AND METHOD OF PAYMENT OF SETTLEMENT COMPENSATION.** CARRIER shall perform a compensation settlement with respect to all loads for which the required documents were received by CARRIER. **CONTRACTOR SHOULD INITIAL ONE OF THESE OPTIONS:**

_____ **OPTION 1 (Payment via CARRIER Bank Check – Mailed):** CARRIER shall pay any Settlement Compensation (with no administrative fee to CARRIER) by sending a bank check by U.S. First Class Mail to the address required by Section 23 (Notices) of this Agreement; OR

_____ **OPTION 2 (Payment via CARRIER Bank Check – Picked Up at Terminal):** CARRIER shall pay any Settlement Compensation (with no administrative fee to CARRIER) by making a bank check available for pick-up by CONTRACTOR at the terminal of CARRIER to which CONTRACTOR is assigned during normal business hours. If CONTRACTOR wishes to have an authorized representative pick up the check, CONTRACTOR must first deliver to CARRIER a signed and dated letter giving the full name, address, and telephone number of the representative and stating the period during which CONTRACTOR wishes the representative to pick up the check on CONTRACTOR's behalf; OR

_____ **OPTION 3 (Weekly Payments via Direct Deposit to CONTRACTOR's Bank Account):** CARRIER shall pay Settlement Compensation (with CARRIER charging no administrative fee) by making an electronic direct-deposit into CONTRACTOR's bank account in accordance with a CARRIER-supplied form that CONTRACTOR shall complete.

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS APPENDIX B AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGNATURE PAGE OF THIS AGREEMENT]

FAST DIRECT DEPOSIT AUTHORIZATION AGREEMENT

Contractor's Name: _____

Social Security No.: _____

Contractor Code: _____

Station: _____

FEIN#: _____

I hereby authorize FAF, Inc. d/b/a Forward Air Transportation Services, Inc. to initiate credit entries and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my account(s) indicated below to credit and/or debit the same to such account.

This authority is to remain in full force and effect until FAF, Inc. d/b/a Forward Air Transportation Services, Inc. has received written notification from me of its termination in such time and in such manner as to afford FAF, Inc. d/b/a Forward Air Transportation Services, Inc. a reasonable opportunity to act on it.

Signature _____

Date _____

PLEASE PRINT

DEPOSITORY _____

BRANCH _____

CITY _____

STATE _____ ZIP _____

Check one of the following: _____ Checking Account _____ Savings Account

BANK TRANSIT/ABA# _____ ACCOUNT# _____

Please attach voided check only and bank routing. (Bank routing numbers are provided by your bank.)

Note: If already enrolled and need to make changes, fill out new form and mark it "Change"; send to Julie Payne.

All settlement paperwork will be mailed weekly to CONTRACTOR's mailing address on file with CARRIER.

Settlements: telephone (423) 636-7100 / fax (423) 636-7270

Appendix C

CONSENT TO CONDUCT BUSINESS USING ELECTRONIC METHODS

1. Pursuant to Regulatory Guidance Concerning Electronic Signatures and Documents, 74 Fed. Reg. 411 (Jan. 4, 2011), issued by the Federal Motor Carrier Safety Administration ("FMCSA"), FAF, Inc. d/b/a Forward Air Transportation Services, Inc. ("CARRIER") and the undersigned contractor ("CONTRACTOR") hereby consent and agree to conduct business using, to the extent either party elects to do so in a particular instance, the following electronic method:

Web-Portal Method. Under the Web-Portal Method, electronic signatures are accomplished via a web portal in a manner that identifies and authenticates CONTRACTOR as the source of the electronic communication transmitted through the web portal (i.e., by CONTRACTOR's logging onto the web portal using unique credentials) and indicates CONTRACTOR's approval of the information contained in the electronic communication (i.e., by CONTRACTOR's clicking on an "I Accept" dialog box after reviewing electronic communications on the web portal).

2. This consent encompasses the use of electronic methods to transmit and effect the signature of any document, including, without limitation, any supplement, modification, addendum, amendment, notice, consent and/or waiver, required by this Agreement or required by FMCSA regulations to be generated and maintained (or exchanged by private parties), including, without limitation, driver applications, driver histories, and other qualification records, leases formed under 49 C.F.R. Part 376, driver-vehicle inspection reports, and records of duty status.

3. The parties agree that when CONTRACTOR uses the above electronic method to effect electronic signatures, the method: (1) identifies and authenticates CONTRACTOR as the source of the electronic communication; (2) indicates CONTRACTOR's approval of the information contained in the electronic communication; and (3) produces an electronic document with the same integrity, accuracy, and accessibility as a paper document or handwritten signature.

4. The parties agree that when CARRIER uses the above electronic method to effect electronic signatures, the method: (1) identifies and authenticates CARRIER as the source of the electronic communication; (2) indicates CARRIER's approval of the information contained in the electronic communication; and (3) produces an electronic document with the same integrity, accuracy, and accessibility as a paper document or handwritten signature.

5. Either party may elect, with respect to any document, to use a manual/hardcopy signature, provided that the election shall not preclude the other party from applying an electronic signature to the same document.

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS APPENDIX C AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGNATURE PAGE OF THIS AGREEMENT]

APPENDIX D

SUBLEASE OF EQUIPMENT LEASED TO

Through this agreement ("Sublease") and pursuant to 49 C.F.R. § 376.12(c)(2), the undersigned _____ ("Sublease Carrier") agrees to lease from FAF, Inc. d/b/a Forward Air Transportation Services, Inc. ("CARRIER"), and CARRIER to lease to Sublease Carrier, the following commercial motor vehicle equipment ("EQUIPMENT"), currently under lease from _____ ("CONTRACTOR"):

CONTRACTOR'S EQUIPMENT	CARRIER UNIT #	YEAR	MAKE	MODEL	SERIAL (VIN) #	IRP PLATE #
Tractor						

1. **TERM.** Absent default, this Sublease shall begin at the time(s) set forth on completed EQUIPMENT Receipt(s), in the form attached hereto, that Sublease Carrier shall furnish to CARRIER ("Effective Date"), and end when possession of the EQUIPMENT is returned to CARRIER. This Sublease may be terminated at any time for any reason by either party on oral, followed by written, notice of termination to the other party. If, up to and including the date of termination, one or more events occur that give rise, before or after that date, to a liability or entitlement of Sublease Carrier or CARRIER under this Sublease, the liability or entitlement shall continue, notwithstanding the termination of this Sublease, until the liability or entitlement is satisfied in full.

2. **IDENTIFICATION OF EQUIPMENT.** Sublease Carrier shall ensure that for the duration of the Sublease, the identification of equipment requirements in 49 C.F.R. § 376.11(c) are complied with by removing or covering up all of CARRIER's identification on the EQUIPMENT and displaying instead Sublease Carrier's identification.

3. **CONTROL AND RESPONSIBILITY.** Sublease Carrier 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 Sublease from the time possession is taken by the Sublease Carrier and the receipt required under 49 C.F.R. § 376.11(b) is given to CARRIER until possession of the EQUIPMENT is returned to CARRIER. The foregoing declarations are made in order to comply with FMCSA regulations (49 C.F.R. § 376.12(c)(1)) and shall not be used to classify CONTRACTOR as an employee of Sublease Carrier or CARRIER. As 49 C.F.R. § 376.12(c)(4) provides, nothing in the provisions required by 49 C.F.R. § 376.12(c)(1) is intended to affect whether CONTRACTOR and CONTRACTOR's drivers are independent contractors or employees of Sublease Carrier or CARRIER and "an independent contractor relationship may exist when a carrier lessee complies with 49 U.S.C. § 14102 and attendant administrative requirements";

4. **INDEMNIFICATION. Sublease Carrier shall defend, indemnify, and hold harmless CARRIER from any claim (including any for which CARRIER is not indemnified by CARRIER's insurance and any claim of loss of or damage to the EQUIPMENT or to CARRIER's other property) of loss, damage, delay, fine, civil penalty, or expense, including reasonable attorney's fees and costs of litigation (together "Damages") that CARRIER pays or otherwise incurs arising out of or in connection with the Sublease Carrier's or CONTRACTOR's (including their respective agents' or employees') negligence, gross negligence, willful misconduct, or other culpable acts or omissions;**

5. **INSURANCE.** Sublease Carrier agrees to, and warrants that Sublease Carrier does, maintain public liability insurance (bodily-injury/property-damage coverage and environmental restoration coverage) and cargo loss-and-damage coverage, in at least the amounts required by Federal Motor Carrier Safety Administration regulations promulgated under 49 U.S.C. § 13906 and pursuant to applicable state laws, covering the EQUIPMENT for the duration of this Sublease. These insurance coverages shall be primary, as between Sublease Carrier and CARRIER, to any insurance coverages that CARRIER may maintain. Sublease Carrier shall evidence the insurance coverages by furnishing to CARRIER, along with this executed Sublease, a valid certificate of insurance.

6. **SUBLEASE CARRIERS' COMPENSATION OF CONTRACTOR.** Sublease Carrier shall enter into an independent contractor operating agreement with CONTRACTOR regarding compensation (including the sublease payments owed to CARRIER pursuant to Section 7 below) and other terms that complies with the Federal Truth-in-Leasing Regulations, 49 C.F.R. Part 376, and shall pay CONTRACTOR the agreed compensation, within (fifteen) 15 days after CONTRACTOR submits to Sublease Carrier the driver log books required by the U.S. Department of Transportation and those documents necessary for Sublease Carrier to secure payment of freight charges from the shipper (together "Sublease Trip Documents").

7. **SUBLEASE PAYMENTS.** As consideration for this Sublease, Sublease Carrier shall remit to CONTRACTOR at the same time Sublease Carrier pays compensation to CONTRACTOR for a trip, and CONTRACTOR has agreed to remit the same amount to CARRIER, a \$100.00 per-trip Alternative Use Fee.

8. **DRIVER LOGS.** Sublease Carrier shall obtain from CONTRACTOR a copy of all driver logs after each trip. All driver logs should name both CARRIER and Sublease Carrier; show all duty time for each 24-hour period of each trip; and the beginning and finishing time (designating a.m. or p.m.) worked for each identified motor carrier. Pursuant to 49 C.F.R. § 395.8(j), before each Sublease trip, CONTRACTOR shall provide to Sublease Carrier a signed statement stating the CONTRACTOR's total time on duty during the immediately preceding seven days and the time at which CONTRACTOR was last relieved from duty prior to beginning work for CARRIER.

9. **CONTROLLED SUBSTANCES TESTING PROGRAM.** Sublease Carrier shall obtain from CARRIER at least once every six months thereafter (if subleasing is continuing even intermittently) the following information relating to CARRIER's controlled substances testing program: the name and address of the program; a verification that CONTRACTOR participates or participated in the program; a verification that the program conforms to 49 C.F.R. Part 40; a verification that CONTRACTOR is qualified under 49 C.F.R. Part 382, including that CONTRACTOR has not refused to be tested for controlled substances; the date CONTRACTOR was last tested for controlled substances; and the results of any tests taken within the previous six months and any other violations of Subpart B of 49 C.F.R. Part 382. If Sublease Carrier cannot verify that CONTRACTOR is participating in a controlled substances testing program in accordance with 49 C.F.R. Parts 40 and 382, Sublease Carrier shall administer an initial controlled substances test to CONTRACTOR.

10. **QUALIFICATION CERTIFICATE.** By executing, along with CONTRACTOR, the attached "Qualification Certificate", CARRIER hereby certifies that CONTRACTOR is fully qualified to drive a commercial motor vehicle under the rules in 49 C.F.R. Part 391. Pursuant to 49 C.F.R. § 391.65(b)(1), Sublease Carrier and CARRIER agree that Sublease Carrier has verified the validity of the Qualification Certificate. Sublease Carrier agrees to maintain the Qualification Certificate for a period of three years from the Effective Date of this Sublease.

11. **DRIVER VEHICLE INSPECTION REPORTS AND REPAIR RECORDS.** For the term of this Sublease, CARRIER shall require CONTRACTOR to prepare and submit a written Driver Vehicle Inspection Report complying with the requirements of 49 C.F.R. § 396.11, and CARRIER shall obtain from CONTRACTOR and maintain all records relating to repairs of the Equipment.

12. **INTERNATIONAL REGISTRATION PLAN REPORTING.** With respect to International Registration Plan reporting, Sublease Carrier shall be responsible for reporting all miles traveled by CONTRACTOR's Equipment and in what state(s). Sublease Carrier shall provide CARRIER promptly with documentation showing all miles traveled by state for each trip.

13. **INDEPENDENT CONTRACTOR RELATIONSHIP.** It is the intent of the parties to this Sublease that Sublease Carrier, CARRIER, and CONTRACTOR shall all be independent contractors.

14. **COPY OF SUBLEASE.** Sublease Carrier shall ensure that a copy of the Sublease is carried in the EQUIPMENT for the duration of the Sublease.

15. **GENERAL.** If any provision (including any sentence or part of a sentence) of this Sublease (including its attachments and addendums) is deemed invalid for any reason whatsoever, the Sublease shall be void only as to the provision, and this Sublease shall remain otherwise binding between the parties. This Sublease (including the Attachments and any addendums) constitute the entire Sublease between CARRIER and Sublease Carrier pertaining to the subject matter contained herein and fully replaces and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment to this Sublease shall be binding unless in writing and signed by both parties. Original, faxed, or otherwise imaged signatures shall be equally valid.

16. **GOVERNING LAW AND FORUM.** This Sublease shall be interpreted in accordance with, and governed by, the laws of the United States and, of the State of Tennessee, without regard to the choice-of-law rules of that State or any other jurisdiction. THE PARTIES AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS SUBLEASE, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN LAW (INCLUDING BUT NOT LIMITED TO 49 C.F.R. PART 376), SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING GREENE COUNTY, TENNESSEE. CARRIER AND SUBLEASE CARRIER HEREBY CONSENT TO THE JURISDICTION AND VENUE OF THESE COURTS.

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS APPENDIX D AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGNATURE PAGE OF THIS AGREEMENT]

QUALIFICATION CERTIFICATE

Pursuant to 49 C.F.R. § 391.65, FAF, Inc. d/b/a/ Forward Air Transportation Services, Inc. ("CARRIER") certifies that the undersigned independent contractor ("CONTRACTOR"), as defined in 49 C.F.R. § 390.5, is regularly driving a commercial motor vehicle operated by CARRIER and is fully qualified under 49 C.F.R. Part 391. His current medical examiner's certificate expires on _____. This Qualification Certificate expires on _____ (a date not later than the expiration of the medical examiner's certificate).

Issued on _____ by:

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS QUALIFICATION CERTIFICATE AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGNATURE PAGE OF THIS AGREEMENT]

APPENDIX E

PROBIBITION AGAINST USE OF MOBILE TECHNOLOGY WHILE OPERATING A CMV

Effective January 3, 2012, the Federal Motor Carrier Safety Regulations prohibit the use of a hand-held 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 hand held mobile telephone by pressing more than a single button; or
- Reaching for a mobile telephone 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). The rule is in addition to the existing federal ban on texting while driving a CMV.

Violations can result in a civil penalty against the driver of up to \$2,750, and against the carrier of up to \$11,000. In addition, drivers convicted of violating this rule twice in a three-year period are subject to disqualification by state or federal authorities from driving a CMV for 60 days. Three violations of this rule in any three-year period result in disqualification for 120 days. Additionally, violation of state or local rules restricting or prohibiting the use of hand-held mobile telephones while driving can also result in disqualification.

BY SIGNING BELOW, CONTRACTOR ACKNOWLEDGES RECEIPT OF THIS NOTICE, AGREES THAT CONTRACTOR WILL REQUIRE THAT ITS DRIVERS COMPLY WITH THE LIMITATIONS SET FORTH HEREIN, AND AGREES THAT CONTRACTOR AND/OR CONTRACTOR'S DRIVERS WILL COMPLY WITH ANY AND ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS REGARDING USE OF MOBILE TECHNOLOGY WHILE OPERATING A CMV. CONTRACTOR FURTHER ACKNOWLEDGES THAT VIOLATION OF FEDERAL, STATE AND LOCAL LAWS, RULES, REGULATIONS, OR ORDINANCES REGARDING USE OF MOBILE TECHNOLOGY WHILE OPERATING A CMV MAY TRIGGER OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, HOLD HARMLESS AND INDEMNITY OBLIGATIONS. IN ADDITION TO THE FOREGOING, FAILURE TO COMPLY WITH SUCH PROHIBITIONS OR LIMITATIONS MAY RESULT IN DISQUALIFICATION OF THE DRIVER INVOLVED AND/OR TERMINATION OF THIS AGREEMENT.

[CONTRACTOR HEREBY AGREES TO THE TERMS OF THIS APPENDIX E AS ACKNOWLEDGED BY ITS SIGNATURE ON THE SIGNATURE PAGE OF THIS AGREEMENT]

APPENDIX F

SATELLITE EQUIPMENT

1. FURNISHING OF SATELLITE EQUIPMENT. In fulfillment of CONTRACTOR's obligation under Paragraph 39 of this Agreement, CONTRACTOR is free to obtain, install in the Equipment, and maintain in an operable and functioning condition, at his/her expense, a satellite system that constitutes, or in CARRIER's reasonable judgment is technically and functionally compatible with, the Qualcomm System or other system utilized by CARRIER. In the alternative, CONTRACTOR may elect, by initialing the "CARRIER shall arrange" option below, to have CARRIER arrange to have installed, in the Equipment, a Qualcomm System or other system utilized by CARRIER. In the latter event, CONTRACTOR hereby agrees to have CARRIER deduct from his/her Settlement Compensation and/or Escrow Account weekly rent of twenty-one dollars (\$21.00). CONTRACTOR agrees to keep the CARRIER-furnished satellite system, which shall remain CARRIER's property, in an operable and functioning condition at all times that the Equipment is being operated in CARRIER's service.

CONTRACTOR SHOULD INITIAL ONE OF THESE TWO OPTIONS:

_____ CONTRACTOR shall furnish and install his/her own satellite system in the Equipment.

_____ CARRIER shall arrange to have a satellite system installed in the Equipment and shall deduct the above rent from CONTRACTOR's Settlement Compensation and/or Escrow Account.

2. RE-INSTALLATION OF CARRIER-FURNISHED SYSTEM. In the event CONTRACTOR shall replace the unit(s) of Equipment (power unit(s)), CONTRACTOR shall bear the expense of removal and re-installation of any CARRIER-furnished satellite system in his/her replacement Equipment and hereby authorizes CARRIER to deduct all such expense from CONTRACTOR's Settlement Compensation and/or Escrow Account.

3. RETURN OF CARRIER-FURNISHED SYSTEM. CONTRACTOR shall be responsible for the return of each CARRIER-furnished satellite system to CARRIER immediately upon any request from CARRIER or the termination of this Agreement, in accordance with this Agreement. Only a qualified technician selected by CARRIER shall remove the system. If the system is lost or damaged as a result of CONTRACTOR's negligence, or not returned upon request or upon termination of the Agreement, CONTRACTOR hereby authorizes CARRIER to deduct from CONTRACTOR's Settlement Compensation and/or Escrow Account or, if necessary, to collect additional payments from CONTRACTOR for, the entire expense incurred by CARRIER in repairing or replacing the system, together with all collection costs. CARRIER shall not be responsible for any loss or damage to CONTRACTOR's Equipment arising or resulting from the installation, use, or removal of the CARRIER-furnished satellite system.

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

CARRIER:
FAF, Inc. d/b/a Forward Air Transportation
Services, Inc.

CONTRACTOR:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Dated: _____

Dated: _____

6800 Port Road
Groveport, Ohio 43125

Power of Attorney

I hereby appoint an employee of FAF, Inc. d/b/a/ Forward Air Transportation Services, Inc. of Groveport, Ohio as my attorney-in-fact to apply for license and registration for the vehicle.

VIN # _____

Unit # _____

Owner of Vehicle

Print Name as Printed on Title

Date

FAF, Inc.

STATEMENT OF LEASE

To the extent provided by the Independent Contractor Operating Agreement entered into between the undersigned CONTRACTOR and FAF, Inc. d/b/a Forward Air Transportation Services, Inc. ("CARRIER") effective at 12:01 a.m. Eastern Time on _____ ("ICOA" or "lease"), this Equipment is being operated by the undersigned CARRIER. CONTRACTOR is the Equipment's "owner," as the latter term is defined by 49 C.F.R. § 376.2(d). The ICOA provides that it shall remain in effect until 11:59 p.m. exactly two (2) years thereafter unless terminated sooner by either party. The ICOA includes no restrictions relative to the commodities to be transported. The original of the ICOA is kept by CARRIER at the address shown.

The undersigned parties to the ICOA agree that, pursuant to 49 C.F.R. § 376.11(c)(2), **A COPY OF THIS "STATEMENT OF LEASE" IS TO BE CARRIED ON THE EQUIPMENT DURING ALL PERIODS THAT, PURSUANT TO THE ICOA, THE EQUIPMENT IS BEING OPERATED BY OR ON BEHALF OF CARRIER.**

Name of CONTRACTOR: _____

CONTRACTOR Control No: _____

Company Unit No.: _____

Make : _____ Model: _____ Year: _____

Serial No. _____ State & License No.: _____

Trailer Make: _____ Model: _____ Year: _____

Serial No. _____ State & License No. _____

FAF, Inc. d/b/a/ Forward Air Transportation Services, Inc. ("CARRIER") certifies that it has leased and is operating the equipment described above. The equipment has been leased from the CONTRACTOR named above. The lease became effective on _____, and will remain in effect until termination upon written notice by CARRIER or the CONTRACTOR. There are no restrictions in the lease relative to the commodities to be transported. The original of the lease is kept by CARRIER at its offices located at 430 Airport Road, P.O. Box 1058, Greeneville, Tennessee 37744.

CARRIER:

**FAF, Inc. d/b/a Forward Air Transportation
Services, Inc.**

Date: _____

By: _____

Title: _____

SIGNATURE APPENDIX

CONTRACTOR shall execute this Independent Contractor Operating Agreement and each Appendix referenced below by signing below where indicated, and by forwarding the original, signed Agreement, with Appendixes to CARRIER. Once executed by CONTRACTOR as set out above, this Independent Contractor Operating Agreement and each Appendix referenced below shall be effective as of the date set forth on the Statement of Lease and Receipt of Equipment to be provided to CONTRACTOR by CARRIER. CARRIER's signature on the Statement of Lease and Receipt for Equipment shall constitute CARRIER's acceptance of this Independent Contractor Agreement and all Appendices.

<p>X _____ CONTRACTOR</p> <p>Print Name(s): _____</p> <p>_____</p> <p>Date _____</p> <p>X _____ CARRIER</p> <p>_____</p> <p>Date _____</p>	<p>Independent Contractor Operating Agreement</p> <p>_____</p> <p>Corporate Name (If Applicable)</p>
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<p>X _____ CONTRACTOR</p> <p>_____</p> <p>Date _____</p> <p>X _____ CARRIER</p> <p>_____</p> <p>Date _____</p>	<p>Appendix A – Contractor Election Form</p>
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<p>X _____ CONTRACTOR</p> <p>_____</p> <p>Date _____</p> <p>X _____ CARRIER</p> <p>_____</p> <p>Date _____</p>	<p>Appendix B – Contractor Compensation Rates</p>
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X _____ **Appendix C – Consent to Conduct Business Using Electronic Methods**

CONTRACTOR

Date

X _____

CARRIER

Date

X _____ **Appendix D – Sublease of Equipment**

CONTRACTOR

Date

X _____

CARRIER

Date

X _____ **Qualification Certificate**

CONTRACTOR

Date

X _____

CARRIER

Date

X _____ **Appendix E – Prohibitions Against Use of Mobile Technology While Operating a CMV**

CONTRACTOR

Date

X _____

CARRIER

Date

X _____	Appendix F – Satellite Equipment
CONTRACTOR	

Date	
X _____	
CARRIER	

Date	

X _____	Power of Attorney
CONTRACTOR	

Date	
X _____	
CARRIER	

Date	

X _____	Statement of Lease
CONTRACTOR	

Date	
X _____	
CARRIER	

Date	