

## LEASE AGREEMENT

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_, by  
and between

\_\_\_\_\_, hereinafter referred to  
as LESSEE, located at

\_\_\_\_\_ and

\_\_\_\_\_ ,

hereinafter referred to as LESSOR , located at

\_\_\_\_\_

\_\_\_\_\_.

### WITNESSETH:

(1) LESSEE is a motor contract carrier of property authorized by the  
Federal Highway

Administration by Permit No. MC- \_\_\_\_\_ to provide transportation  
of property under contract

with shippers and receivers of general commodities, and

(2) LESSOR is the owner of the tractor and trailer equipment described in  
Vehicle Addendum and is

duly authorized and empowered to execute this agreement.

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

(1) The LESSEE hereby leases the equipment and services of LESSOR, owned and described in Equipment addendum. LESSOR certifies that equipment subject to this lease meets U.S. Department of Transportation (DOT) safety requirements and standards, and that LESSEE shall inspect such equipment and shall determine that such requirements and standards have been met at the time of execution of this lease.

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

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

(4) LESSOR agrees to comply with all safety regulations required by the Department of

Transportation and the various States in which operations are conducted.

(5) In consideration for the use of the equipment and services of LESSOR, the LESSEE agrees

to compensate LESSOR in the amount of \_\_\_\_\_% of gross revenues for each trip ticket ticket. LESSEE

will provide all permitting necessary and will pay all fuel taxes. LESSOR has a right to examine

LESSEE's documents containing information for determining charges billed to the shipper.

(6) Payment shall be made within 15 days after submission of the necessary delivery documents

and other paperwork concerning a trip in the service of LESSEE. Delivery documents and paperwork

concerning a trip required before the LESSOR can receive payment is defined as driver's log books

required by the Department of Transportation, and those documents necessary for LESSEE to secure

payment from the shipper. LESSEE may require the submission of additional documents by the LESSOR

but not as a prerequisite to payment. Payment to the LESSOR shall not be made contingent upon

submission of a bill of lading to which no exceptions have been taken. The LESSOR shall not set time

limits for the submission by the LESSOR of required delivery documents and other paperwork. LESSOR

must complete all trip tickets and reports. Each trip report must be turned in before the next trip is assigned.

(7) The LESSEE has a legal obligation and the responsibility to maintain liability and cargo insurance coverage for the protection of the public as required by Federal Highway Administration regulations under 49 U.S.C. 10927, as amended by Public Law 104-88. All insurance cost for the operation of LESSOR's equipment while in the service of LESSEE shall be paid by LESSOR. If the cost of the insurance is initially paid by LESSEE, such costs will be charged-back in full to LESSOR.

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

from LESSEE as a condition of entering into this lease agreement.

(9) It is the duty of the LESSOR to properly determine the condition of the freight at the time

such freight is picked-up from the shipper, and a further duty to transport the shipment to its destination

in as nearly that same condition as when it was picked-up. The LESSOR will inspect all shipments at the

time of loading and mark any exceptions or conditions on the bill of lading or receipt. At the destination,

the LESSOR will again inspect the freight with the consignee and mark on the delivery receipt any

exceptions to the condition or damages to the shipment that occurred during transit. Delivery receipts

will be turned in to the LESSEE as part of the documentation required for payment. The LESSEE has a

right to deduct for damages of freight in transit caused by LESSOR and not reimbursed by insurance. The

LESSEE will provide a written explanation and itemization of any deductions for cargo or property

damage made from compensation to LESSOR.

(10) The DRIVER is responsible for loading and unloading freight to and from the trailer,

unless proper notations are made on the bill of lading that the driver is responsible. Except when the

violation results from the acts or omissions of the LESSOR, the LESSEE shall assume the risks and costs

of fines for overweight and oversize trailers when the trailers are pre-loaded, sealed, or the load is containerized, or when the trailer or lading is otherwise outside the LESSOR's control, and for improperly permitted overdimension and overweight loads and LESSEE shall reimburse LESSOR for any fines paid by the LESSOR.

(11) Escrow funds or moneys placed on deposit with LESSEE by LESSOR are not required under the terms of this agreement.

(12) It is agreed that the services of LESSOR under the terms of this lease agreement is that of an independent contractor and that no "employee-employer" relationship exists between LESSOR and LESSEE. LESSOR is therefore responsible for providing his own workmen's compensation insurance, employment and income taxes, etc. Further, any drivers or employees of LESSOR are the complete responsibility of the LESSOR.

(13) This lease agreement may be canceled upon written notice by either LESSOR or LESSEE.

It is agreed that any loads in transit will be delivered prior to cancellation and all required paperwork will be turned in prior to final settlement. Any costs incurred by LESSEE to complete the delivery of a load in transit will be charged to the LESSOR. The LESSOR agrees to remove identification signs or devices

from the equipment upon the termination of the lease and return such signs or devices to the LESSEE. If

identification has been painted directly on the equipment, then LESSOR agrees to furnish a photograph of

both sides of the equipment showing identification has been removed or painted over. Failure to furnish

evidence of the removal of identification from the equipment will result in the withholding of the final settlement.

(14) This AGREEMENT is to become effective \_\_\_\_\_, and shall remain in effect

for a period of one year from such date, and from year to year thereafter, subject to the right of either party

hereto to cancel or terminate the AGREEMENT at any time with written notice of one party or the other.

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

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(LESSEE) (LESSOR)

## Equipment Addendum

Lessor: \_\_\_\_\_

Lessee: \_\_\_\_\_

Tractor/Truck VIN#: \_\_\_\_\_

Tractor/Truck: Year: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_

This lease agreement between above mentioned parties begins on:

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ and will expire on \_\_\_\_/\_\_\_\_/\_\_\_\_\_ or till

terminated by either party. Lessee will be responsible for all safety and maintenance of mentioned equipment. Lessor will inspect equipment upon arrival of each trip, and equipment must be in full compliance of all DOT standards. This lease is to be maintained in effect till either party terminates this lease for whatever motive/reason.

\_\_\_\_\_, Lessor

\_\_\_\_\_ Printed Name/ Authorized Representative when lessor is a  
entity

\_\_\_\_\_, Lessee

\_\_\_\_\_ Printed Name/ Authorized Representative when Lessee is an  
entity