

## OWNER OPERATOR LEASE AGREEMENT

### A. BETWEEN

Transporters Transport DBA Hoffman Transportation  516 W Rosecrans Ave Gardena, Ca 90248	USDOT # 2901618  MC # 976174
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AND

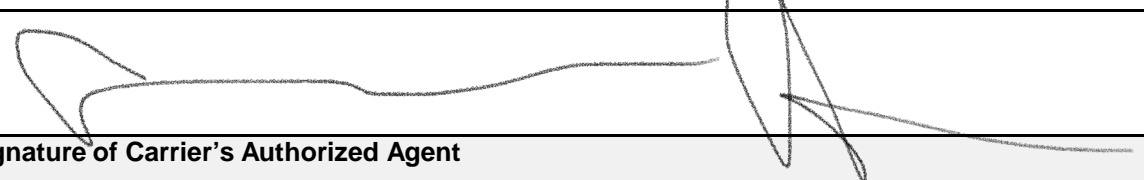
### B. INDEPENDENT CONTRACTOR

Name	
SS# or FEIN#	
Address	
City	
State	
Zip	
Telephone	
Email	
Pay Plan	

**Important Note:** Please initial each page after reading.

\_\_\_\_\_  
Company or Person Name of Independent Contractor

\_\_\_\_\_  
Signature of Independent Contractor


<b>Signature of Carrier's Authorized Agent</b>

### CMV INFORMATION

\_\_\_\_\_  
Initials

**INDEPENDENT CONTRACTOR'S COMMERCIAL MOTOR VEHICLE**

Make	
Year	
VIN	
Plate	
State	
Payload	

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Make	
Year	
VIN	
Plate	
State	
Payload	

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Make	
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VIN	
Plate	
State	
Payload	

If more than 4 CMV's please add additional page.

**I. AGREEMENT**

For and in consideration of the compensation set for in section III of this agreement, hereinafter called **Hoffman Tansportation** herein called **CARRIER**, the equipment described in section

\_\_\_\_\_  
Initials

C. together with qualified drivers, and **CARRIER** agrees to contract loading and transporting freight. In witness whereof **CARRIER** and \_\_\_\_\_ herein called **INDEPENDENT CONTRACTOR** hereby enter into this agreement this day which shall be effective date hereof, and agree to be bound by all terms thereof as set forth in the attached schedule, which is made part hereof the same as if it was fully set forth herein. The terms of this agreement shall be automatically renewed for one year, unless either party shall, at least thirty (30) days prior to the expiration of term, give written notice of the intention not to renew the agreement.

**II. SCHEDULE OF COMPENSATION**

**CARRIER** agrees to pay **85%** of gross receipts of each loads, minus applicable, escrow deductions, cargo/liability insurance, trailer, trailer maintenance, fuel, IFTA tax, and agreed on upon damage payment.

**A) CARRIER** agree to pay, and **INDEPENDENT CONTRACTOR** agrees to accept as full and complete payment for use of equipment and for performance of obligations accepted by **INDEPENDENT CONTRACTOR** under this agreement, compensation as set forth above. **CARRIER** shall compensate **INDEPENDENT CONTRACTOR** within 14 days after the submission by the **INDEPENDENT CONTRACTOR** of the proper paperwork as listed below:

- 1. Bill of lading
- 2. Signed Delivery Receipts
- 3. Driver Logbook
- 4. Fuel expense receipts
- 5. Trip Sheet

- Any expenses including lumper fee's, tolls, scale tickets, fuel etc. is an expense of the **INDEPENDENT CONTRACTOR** himself and will be deducted from payment.

All applicable paperwork must be submitted to **CARRIER** no later than close of business (5PM) Monday – Friday in order to be paid within 14 days. If paperwork is not complete, **INDEPENDENT CONTRACTOR** will not be paid until submitted.

**B) Fuel tax accounting services** will be available to **INDEPENDENT CONTRACTOR**, if he chooses, and fees will be paid to the company providing services. If not, all quarterly fuel tax payments is the full responsibility of **INDEPENDENT CONTRACTOR**.

- The Fee will be calculated every 3 months

Please select if you would like **Hoffman Transportation** provide fuel tax accounting services:

\_\_\_\_\_ I choose to use the reporting services chosen by carrier.  
(Initials)

\_\_\_\_\_ I choose to file my own quarterly fuel tax return.  
(Initials)

**C) It is agreed that escrow fundis set up per Commercial Motor Vehicle** at the time of the execution of the agreement.

**INDEPENDENT CONTRACTOR** authorizes **CARRIER** to withhold a credit card on file. This credit card will be used for emergencies or any maintenance issues.

D) It is agreed that additional deductions is set-up **per Commercial Motor Vehicle** at the time of the agreement, as followed below:

1. **INDEPENDENT CONTRACTOR** authorizes **CARRIER** to withhold **INSURANCE PAYMENT (Amount Varies for IC )** per MONTH for cargo / liability and PD insurance regardless of operation or not.
2. **INDEPENDENT CONTRACTOR** authorizes **CARRIER** to withhold **\$525 US dollars** per month for trailer lease as agreed upon in the terms of the **TRAILER LEASE AGREEMENT** . Trailers can only be used under Hoffman Transportation's Authority and must be returned if you leave Hoffman Transportation.

DI) Payroll accounting services will be available to **INDEPENDENT CONTRACTOR**, if he chooses, and fees will be paid to the company providing services. If not, all payrolls of **INDEPENDENT CONTRACTOR'S** employees are the full responsibility of **INDEPENDENT CONTRACTOR**.

- This service is only available to more than 2 or more CMV's operated with **INDEPENDENT CONTRACTOR**.
- There will be a fee of  \$5.00  **US dollars per contractor per month**

Please select if you would like **Hoffman Transportation** provide payroll accounting services: (PAYROLL IS ONLY TO PAY YOUR DRIVER ONLY)

\_\_\_\_\_ I choose to pay my employees and use my own payroll services.  
(Initials)

All escrow funds be held for a period of 45 days after termination of this agreement, to insure payment of **INDEPENDENT CONTRACTOR'S** obligations, including but not limited to cargo claims, IFTA deductions, liability claims advances, or any other cost which are the sole responsibility of the **INDEPENDENT CONTRACTOR**. Should any claim not be resolved at the end of 45 days, the **CARRIER** may retain the escrow funds until claim is closed. If **CARRIER** retains any escrow funds beyond 45 days, the **CARRIER** shall release any remaining funds within 30 days of the closing of the remaining claims.

The **CARRIER** shall provide **INDEPENDENT CONTRACTOR** with an accounting of any transaction involving the escrow account upon request of the **INDEPENDENT CONTRACTOR**.

### III. RULES OF CONDUCT FOR ALL DRIVERS UNDER THIS AGREEMENT

- 1.) All drivers must complete a pre-trip inspection on the tractor and trailer, according to D.O.T. regulations **Hoffman Transportation** must be informed of any problems noticed during the pre-trip inspection.

\_\_\_\_\_  
Initials

- 2.) All drivers must check in at 9:00 A.M. or 09:00 P.M. each day with a report of their location and expected delivery times and if any problems have been encountered since the last check-in. A voice message may be left for the dispatch department if no one is at the office at time of the call.
- 3.) If load requires refrigeration, the driver must check the condition of the trailer every eight (8) hours, including temperatures requires by the shipper, and fuel level in the trailer. The company will not be held responsible for damaged cargo, due to negligence or improper inspection. Any deducted charges against cargo liability will be held from the **INDEPENDENT CONTRACTOR'S** settlement. All drivers are required to provide complete protection and safety of all cargo, whether refrigerated or dry.
- 4.) All drivers are required to keep a log book up-to-date for each portion of a trip. All log books must be completed and turned into the company upon driver's return to the office, and kept on file according to D.O.T. regulations. Any log book violations will be paid by the driver, not the company. If a load is not picked up or delivered late, due to police order or for any other reason, unless approved by the shipper and receiver, all charges incurred by **Hoffman Transportation** will be withheld from **INDEPENDENT CONTRACTOR** settlement.
- 5.) All driver must inspect the loading of trailer, where allowed, and check weight at the nearest scale. If the load appears to be overweight, the driver must inform **Hoffman Transportation** immediately by phone and return to original loading area for proper weights. The **CARRIER** will not pay any citations due to overweight violations.
- 6.) During loading, the driver must pay attention to the condition of the load, and number of pallets placed on the trailer. If the driver observes any damage such as bad condition of the product, broken boxes, spilling etc. The driver should stop the load process and immediately inform **Hoffman Transportation** If the **CARRIER** approves the damaged load, the driver must note damage on the Bill of Lading, request the previous damage to load.
- 7.) At all times, driver must be courteous and respect all rules and regulations of customers, other drivers, and officers of all regulatory agendas.
- 8.) Under this agreement, no driver shall be used until that driver has been accepted, by the **LESSEE**, as having met the minimum qualification requirements of the **FMCSA**
- 9.) Whereas, if any one more of the provision contained in this agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this agreement, but shall be construed as if such invalid, illegal or unenforceable provision had never been contained in it.

#### IV. RELATIONSHIP OF PARTIES

- 1.) The parties intend to create by this lease a relationship of **CARRIER** and **INDEPENDENT CONTRACTOR** and not that of employer and employee. Neither the **INDEPENDENT CONTRACTOR** nor its agents are to be considered employees of the lease at any time, for any purpose.
- 2.) **INDEPENDENT CONTRACTOR** shall operate equipment covered by the agreement or furnish sufficient employees to operate said equipment. Any employees furnished by **INDEPENDENT CONTRACTOR** shall be his employees (**EXPLAIN IN SECTION III.8. RULES OF CONDUCT FOR ALL DRIVERS**) and will be paid and controlled by **INDEPENDENT CONTRACTOR**, unless agreed to undergo **CARRIER'S** payroll services (**EXPLAIN IN SECTION II.E SCHEDULE OF COMPENSATION**). **INDEPENDENT CONTRACTOR** represents that any employees furnished by him are competent, reliable, physically fit and are familiar with state and federal motor carrier safety rules, laws and regulations. To the extent required by applicable law, **INDEPENDENT**

**CONTRACTOR** shall maintain workers compensation coverage for all employees.  
**INDEPENDENT CONTRACTOR** shall be responsible for withholding and remitting to proper authorities all payroll taxes for his employees.

- 3.) **CARRIER** will provide a statement of earnings to **INDEPENDENT CONTRACTOR** showing annual compensation and will report same to **INTERNAL REVENUE SERVICE** on IRS form 1099.
- 4.) **INDEPENDENT CONTRACTOR** may temporarily remove leased equipment from operation of the **CARRIER** under this lease for periods of less than 30 days, subject to notification of and approval by **CARRIER**. During such periods, **INDEPENDENT CONTRACTOR** shall remove the **CARRIER** identification plate cards, card and shall not operate under the authority of the **CARRIER** (Any tickets or violations by the CMV in period of canceling agreement will be the sole responsibility of the **INDEPENDENT CONTRACTOR**)
- 5.) The parties further intend that the relationship created by this lease comply in all respects with the regulations of the I.C.C. governing the lease and interchange of vehicles by authorized carriers.

#### V. **INDEPENDENT CONTRACTOR'S WARRANTY AND REPRESENTATION**

**INDEPENDENT CONTRACTOR** further warrants and represents that the driver(s) he shall supply to perform services for **CARRIER** shall be properly licensed and qualified under all applicable laws and regulations throughout the period of this lease.

#### VI. **OPERATING AND MAINTENANCE EXPENSES**

**INDEPENDENT CONTRACTOR** agrees to pay the entire cost of operating and maintain the leased equipment throughout the term of this lease. **INDEPENDENT CONTRACTOR'S** obligation shall include, but shall not be limited to the following expense items:

1. All wages, payroll taxes and other payments of **INDEPENDENT CONTRACTOR'S** employment authorized driver or other labor.
2. All costs of bobtail liability and physical damage insurance. Proof of insurance must be provided to carrier prior to completion of this lease.
3. All copies of fuel and highway use taxes, all highways, bridge, ferry and other tolls, and all expenses of acquiring and maintaining current vehicle base plates and licenses on leased equipment.
4. All fines for traffic violations and any other fees, penalties, fines or taxes that may be assessed against the equipment or the services provided by the **INDEPENDENT CONTRACTOR** his agents or employees.
5. **INDEPENDENT CONTRACTOR** shall be solely responsible for all expenses incurred in the procurement of background checks, physical examinations and drug tests in accordance with D.O.T. Federal Motor Carrier Safety Regulations 391.41

**A)** Drug tests are required annually and / or at random as required by **CARRIER**.

**B)** Background check of CDL license records must be completed before any driver will be allowed to work under the terms of this lease.

6. All maintenance costs for tractor or trailer repair.
7. All toll fees, lumper fees, scale tickets (any expense incurred on the job)

#### VII. MAINTENANCE REPORT

- 1.) To enable **CARRIER** to fulfill its obligations under D.O.T. Regulations to monitor the inspection, maintenance and repair of equipment operated under its authority, **INDEPENDENT CONTRACTOR** agrees to provide **CARRIER** with monthly vehicle maintenance reports on each unit of leased equipment provided to **CARRIER** hereunder. The reports shall specify all maintenance and repairs performed on the vehicle and shall be supported by paid receipts.
- 2.) **INDEPENDENT CONTRACTOR** must submit a vehicle inspection report prior to completion of this lease agreement. Subsequent inspections must be submitted to **CARRIER** yearly no later. **CARRIER** shall have the right to remove any unit of leased equipment from services when unsafe conditions are found by D.O.T. inspection or otherwise.
- 3.) **INDEPENDENT CONTRACTOR** not submitting the yearly/monthly vehicle inspection report will be placed on no-load list, and fined **\$100.00US dollars** for non-compliance.

#### VIII. MINIMUM TRIPS

**CARRIER** does not guarantee, warrant or represent to **INDEPENDENT CONTRACTOR** that any minimum number trips will be available to **INDEPENDENT CONTRACTOR** during the term of this agreement. However, all good faith effort of the **CARRIER** will be made to ensure as many trips as possible.

#### IX. VEHICLE IDENTIFICATION

**CARRIER** will provide **INDEPENDENT CONTRACTOR** with all identification required by all applicable governmental authority, to be affixed to each vehicle listed in section C. while such equipment is performing services for **CARRIER** pursuant to this agreement. When the leased equipment is not being used to perform services for **CARRIER**, **INDEPENDENT CONTRACTOR** shall remove or completely cover all items of identification referring to **CARRIER**. Upon termination of this lease, or in the event **INDEPENDENT CONTRACTOR** subleases the equipment to another certified carrier, **INDEPENDENT CONTRACTOR** shall return all items of identification to **CARRIER**.

- There will be a fee of \$ 65 **US dollars per signage**.

#### X. INSURANCE

The respective obligations of the parties concerning the purchase and maintenance of insurance are as follows:

1. **CARRIER** agrees to procure and maintain in full force public liability insurance for bodily injury and property damage for the vehicles leased here under with a limit of \$1,000,000.00 combined single limit for bodily injury and property damage in each accident. It is furthered agreed that the Public Liability Insurance shall not cover the operation of any unit of leased equipment while
  - 1.) The unit is used to carry property in any business other than the business of the **CARRIER**;

- 2.) The unit is being used in the business of any person or organization than the **CARRIER**;  
 3.) it is being sued for personal purposes.
2. **CARRIER** further agrees to provide cargo insurance covering operation of the leased equipment when being used to transport cargo under provisions of this lease and covering cargo loss or damage resulting from collision or upset of the equipment. The limits of coverage and the placement of the liability and cargo insurance shall left to the sound of the discretion of the **CARRIER**, and the **CARRIER** shall be named as the dole insured. If the **INDEPENDENT CONTRACTOR** desires any such insurance for his own protection, or is dissatisfied with the type or amount of coverage provided by the **CARRIER**, he is free to provide other, further or additional insurance at his own expense. **INDEPENDENT CONTRACTOR** will be responsible for any deductible amount for claims under the public liability or cargo insurance, when it is found to be the fault of the **INDEPENDENT CONTRACTOR** or his employees.
  3. **INDEPENDENT CONTRACTOR** agrees to produce and pay the full expense of bobtail insurance, as well as physical damage insurance on each unit of the leased equipment. These insurance are also available through **CARRIER** if **INDEPENDENT CONTRACTOR** does not provide evidence of bobtail and physical damage insurance in each unit bound by this lease agreement.
  4. **INDEPENDENT CONTRACTOR** shall be responsible for: maintaining valid Workers Compensation Insurance coverage for himself and his employees; shall make all payroll, tax, and other deductions required. **CARRIER** assumes no responsibility to **INDEPENDENT CONTRACTOR** and agrees to identify, defend and save **CARRIER** harmless with respect to any claims arising there from.

If **INDEPENDENT CONTRACTOR** hires drivers to operate his unit. **INDEPENDENT CONTRACTOR** must obtain his own workers compensation insurance policy for that driver or any other drivers of the unit. **CARRIER** assumes no liability for workers compensation claims under this lease agreement.

## XI. CHARGEBACK ITEMS

In addition to the charge back or withholding authority granted by **INDEPENDENT CONTRACTOR** to **CARRIER** elsewhere in this lease. **INDEPENDENT CONTRACTOR** agrees that **CARRIER** shall have right to charge against any settlement owed under this lease amounts sufficient to reimburse **CARRIER** for the following expense which **CARRIER** may incur on behalf or in the name of the **INDEPENDENT CONTRACTOR**:

1. Any fines or penalties imposed upon **CARRIER** as a result of violations by **INDEPENDENT CONTRACTOR**.
2. Any losses or expense incurred by **CARRIER** as a result of its inability to collect freight charges earned due to **INDEPENDENT CONTRACTOR'S** failure to properly complete and to submit paperwork and documents in a timely manner.
3. Any loss or damage to property, trailer or cargo, or any other losses or expenses which **CARRIER** may incur or for which it may be held liable as a result of the **INDEPENDENT CONTRACTOR'S** conduct.
4. All fines and penalties on overweight trailers, found to be the fault of the driver negligence. Prior to withholding any settlements, upon request, **CARRIER** shall provide **INDEPENDENT CONTRACTOR** with written explanation and itemization of the withholding to be made.



- 5. Deductible amounts on claims against liability and cargo insurance policies when it is found to be the fault of the **INDEPENDENT CONTRACTOR** or his employees. Deductible amount **\$1000 US dollars** for each occurrence

**XII. ACCIDENTS REPORT AND LITIGATIONS**

**INDEPENDENT CONTRACTOR** agrees that he will report to **CARRIER** by telephone immediately after the occurrence, any accidents, injuries, property damage, and cargo losses of any nature. A police report must be submitted to the **CARRIER**, along with a full written accident report form covering each occurrence, as required by I.C.C. and D.O.T. regulations.

**INDEPENDENT CONTRACTOR** agrees to place himself, agents and attorneys at the services and disposal of the **CARRIER** during the length of this lease and termination, to assist the **CARRIER** in the defense of claims or suits arising out of any operations or conduct which it engaged under the provisions of this lease. **INDEPENDENT CONTRACTOR** will accept any and all decisions and settlements made by the **CARRIER**. The **CARRIER** agrees to exercise due diligence in making such decisions and settlements.

**XIII. TERMINATION OF AGREEMENT**

Upon termination of this agreement, **INDEPENDENT CONTRACTOR** shall remove all **CARRIER** identification from the outside of all units, return all permits, and decals, **INDEPENDENT CONTRACTOR** is responsible to return all log books and monthly maintenance till the day of termination. If the **INDEPENDENT CONTRACTOR** does not return as said above, the **CARRIER** has full right to keep the full amount of dollars in escrow account until they return as set forth.

**XIV. INTERPRETATION OF THIS AGREEMENT**

This lease shall be interpreted under the laws of the State of California. Employees or agents of one party shall not be considered as employees or agents of the other party. In witness whereof, the pages have signed, sealed and delivered there presents on the \_\_\_\_\_ day of \_\_\_\_\_ which dare shall be the effective date.

**CARRIER**

**INDEPENDENT CONTRACTOR**

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Initials

\_\_\_\_\_  
(Sign Name)

\_\_\_\_\_  
(Sign Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

This lease shall be executed in duplicate. **INDEPENDENT CONTRACTOR** shall keep one copy of the lease on each unit of leased equipment during the period of the lease. **CARRIER** shall keep the original.

**EXHIBIT A.**

Whereas, **CARRIER** reserves the right to terminate this agreement if any of the terms of said agreement are violated by **INDEPENDENT CONTRACTOR**.

\_\_\_\_\_  
Initials