



CONTRACTOR OPERATING AGREEMENT

This Contract is made between:

Carrier: Christy Transport LLC

5000 Wyoming Ave Suite 121

Dearborn, Michigan 48126

Tel: (313) 722 - 4296

USDOT # 3243844

FMCSA # MC-1019404

Contractor DBA: _____

Name: _____

Address: _____

Tel: (____) _____

Email: _____

PRELIMINARY MATTERS

- A. CARRIER is an independent carrier providing exempt and regulated services as a carrier operating under authority issued by the Federal Motor Carrier Safety Administration ("FMCSA") under docket MC-1019404 and the United States Department of Transportation ("USDOT" or "DOT") under USDOT 3243844;
- B. CARRIER needs additional equipment and operating personnel for its business and for that purpose desires to obtain transportation services with equipment it does not own through an agreement with CONTRACTOR;
- C. CONTRACTOR owns motor vehicle equipment, described in **Exhibit "A"** and is engaged in the business of hauling commodities by motor vehicle pursuant to contracts with carriers;
- D. CARRIER desires to enter into an Agreement for CONTRACTOR to haul commodities within CARRIER's authority and CONTRACTOR desires to enter into Agreement with CARRIER to haul such commodities with the motor vehicle equipment described in Exhibit "A"; and
- E. CARRIER and CONTRACTOR believe it is essential to establish and maintain an Independent Contractor relationship in order to further and protect their respective interests;

In consideration of the Preliminary Matters as well as the mutual promises and obligations contained in this document, CARRIER and CONTRACTOR agree as follows:

1. USE OF EQUIPMENT:

- A. CONTRACTOR agrees to use the equipment described in **Exhibit "A"** ("the EQUIPMENT") together with all drivers and all other necessary labor, to transport, load and unload on behalf of CARRIER, or on behalf of such other certified carriers as CARRIER may designate through authorized interchange agreements or sublease agreements, such commodities as CARRIER may from time to time make available to CONTRACTOR. CONTRACTOR warrants the EQUIPMENT is in good, safe and efficient operating condition and guarantees title thereto.
- B. CARRIER agrees to make commodities available from time to time for transportation by CONTRACTOR and CARRIER shall exercise every reasonable effort to make sufficient commodities available so that CONTRACTOR shall be able to keep the EQUIPMENT in reasonably regular use under the terms of this Agreement. This shall not be construed as an agreement by CARRIER to furnish any specific number of loads or pounds of freight for transportation by CONTRACTOR at any particular time or any particular place.
- C. CARRIER and CONTRACTOR agree that CARRIER's business is regulated by the FMCSA and the United States Department of Transportation (DOT) with respect to equipment used in CARRIER's

business. For this reason, CARRIER and CONTRACTOR agree to execute any additional documents as are necessary for CONTRACTOR to provide EQUIPMENT to CARRIER and to fully comply with all governmental regulations.

D. Subject to the provisions of Paragraph 1.C., it is agreed that the control, possession and use of the EQUIPMENT described in Exhibit "A" shall be exclusive to CARRIER during the period of this Agreement. CARRIER and CONTRACTOR may substitute the EQUIPMENT during the term of this Agreement by mutual consent and execution of any additional documentation as is required under Paragraph 1.C. The provisions of this Agreement notwithstanding, any operation or use of the equipment by CONTRACTOR or by any person with or without consent of CONTRACTOR. For non-business use shall not be construed to be under CARRIER's control and direction. Non-business is defined as follows: For the purpose of CONTRACTOR moving or using the leased equipment and any replacement vehicle for its own use including, but not limited to, use of the vehicles in performing transportation services not arranged, controlled or approved by CARRIER, transportation of equipment to and from terminal of CARRIER for the purpose of repairing and maintaining the equipment, transportation of the equipment by CONTRACTOR for the convenience of CONTRACTOR such as use of the equipment between CARRIER's terminal and CONTRACTOR's place of abode, or use of equipment after cancellation of this agreement as provided in this Agreement and the removal of CARRIER's identification signs or other evidence of certificate number or permits as well as the name of CARRIER from the equipment and execution of receipt for equipment as provided in this Agreement, or transportation of said equipment by CONTRACTOR which may otherwise be required to enable CONTRACTOR to perform his obligation hereunder.

2. CONTRACTOR'S EMPLOYEES: CONTRACTOR shall furnish and pay a competent, reliable and physically fit operator or driver, together with any necessary helpers, to operate the EQUIPMENT as part of this Agreement. CONTRACTOR represents: that the driver or operator furnished for the EQUIPMENT is familiar with and will obey all applicable state and Federal laws and regulations; that the furnishing of the operator or driver will not result in a violation of any laws or regulations; that the driver or operator will cooperate with CARRIER in achieving compliance with the applicable laws and regulations and will promptly file with CARRIER all log sheets, physical examination certificates, accident reports and other reports, documents and data required by law or by CARRIER; that CONTRACTOR will comply with all state weight, length and height laws and will not accept loads in excess of the limits allowed by states through which the EQUIPMENT must travel.

3. ACCEPTANCE AND REJECTION OF WORK OPPORTUNITIES: CONTRACTOR shall, when requested by CARRIER, haul such commodities as may be provided by CARRIER as is lawful under its authority. In hauling such commodities for CARRIER, CONTRACTOR shall utilize only the equipment described in Exhibit "A". CONTRACTOR shall haul such commodities in accordance with the applicable laws and governmental regulations, the applicable bills of lading and governing contracts, without damage to the commodities being hauled. If CONTRACTOR shall decline to haul any particular commodity provided by CARRIER, it shall not be a breach of this Agreement and CARRIER shall not provide to CONTRACTOR any commodity load previously declined by CONTRACTOR unless there is no other commodity available.

4. COMPENSATION TO CONTRACTOR: CARRIER agrees to pay CONTRACTOR for the use and operation of the EQUIPMENT that compensation stated in **Exhibit "B"** to this Agreement. CARRIER shall make payment to CONTRACTOR within fifteen (15) days after submission of the necessary documents and other paperwork concerning trips in the service of CARRIER. CONTRACTOR shall submit the required paperwork to CARRIER on or before the end of each workweek. The paperwork required before CONTRACTOR can receive payment shall be the log books required by the Federal Motor Carrier Safety Administration, United States Department of Transportation, the applicable state and provincial regulatory commissions, and those documents necessary for CARRIER to secure payment from the shipper. CONTRACTOR shall also submit, but not as a condition of payment, a fuel mileage report completed in full to the satisfaction of CARRIER. CARRIER may require the submission of additional documents by CONTRACTOR, but not as a prerequisite to payment. Payment to CONTRACTOR shall not be made contingent upon submission of bill of lading to which no exceptions have been taken. If CONTRACTOR'S compensation under this Agreement is based on a percentage of the revenue for the shipments transported on the EQUIPMENT, CARRIER shall give to CONTRACTOR at the time of settlement a copy of the rated freight bill (subject to CARRIER'S right to delete names of shippers and consignees). If CARRIER'S services to its customers are provided under a common carrier certificate, CONTRACTOR may examine copies of CARRIER'S rate schedule if applicable, on file in the principal office of CARRIER. At the time of settlement, CARRIER may deduct from CONTRACTOR'S compensation the following items initially paid by CARRIER: Advances, telephone and telegraph charges respecting CONTRACTOR, in the amounts actually

expended by CARRIER. CARRIER will make available to CONTRACTOR, upon request, copies of those documents necessary to determine the validity of the charge to the operator. Payment of the rate stipulated in this Paragraph includes all empty miles and constitutes full payment for all operating and maintenance expenses incidental to the performance of this Agreement, including any detention time or accessorial charges incurred by CONTRACTOR.

5. TIME TO CLAIM COMPENSATION: It is understood that any claim for compensation under this contract shall be presented in writing within thirty (30) days from the occurrence giving rise to such claim. Failure to submit a claim within the thirty (30) day period shall preclude any such claim from being presented by CONTRACTOR.

6. CONTRACTOR'S COMPLIANCE WITH REGULATORY REQUIREMENTS: CONTRACTOR recognizes that CARRIER'S business of providing motor carrier transportation services to the public is subject to regulation by the Federal government acting through the Federal Motor Carrier Safety Administration and the Department of Transportation, and by various state, provincial and local governmental agencies. Accordingly, the EQUIPMENT of CONTRACTOR shall be subject to approval by the Safety Department of CARRIER. However, CONTRACTOR shall have the responsibility to CARRIER of satisfying these regulatory requirements, subject at all times to verification by CARRIER, by:

- A. Maintaining the EQUIPMENT in the state of repair required by all applicable regulations;
- B. Operating the EQUIPMENT in accord with all applicable regulations;
- C. Hiring only those drivers to operate the EQUIPMENT who are qualified under all applicable regulations and cooperating in providing all Driver Qualification and Driver Investigation History Files as required by the USDOT;
- D. Furnishing CARRIER the possession, control and use of the EQUIPMENT that CARRIER may require to fulfill regulatory requirements; and
- E. Doing all other things necessary to conduct the transportation services provided in this Agreement in accord with all applicable regulations and furnish copies of all appropriate documents including drivers' physicals, daily logs, vehicle condition reports, among others.
- F. CONTRACTOR shall be responsible to know the gross and axle weights of the tractor and trailer and shall immediately notify CARRIER of any overweight or over dimensional condition existing at that time as to the tractor and trailer.
- G. CONTRACTOR shall have the responsibility to furnish the IRP Base Plate.

7. METHOD OF OPERATION: CONTRACTOR shall determine the means and methods of performance of all transportation services undertaken by CONTRACTOR under the terms of this Agreement. CONTRACTOR has and shall retain all responsibility for:

- A. Hiring, setting the wages, hours, working conditions, paying wages and benefits, and adjusting the grievance of, supervising, training, disciplining and firing all drivers, driver's helpers and other workers necessary for the performance of CONTRACTOR'S obligations under the terms of this Agreement. Both parties acknowledge that during the term of this Agreement, all drivers, drivers' helpers and other workers are and shall remain the employees of CONTRACTOR;
- B. Obtaining, selecting, purchasing, financing and maintaining the EQUIPMENT;
- C. Selecting all routes;
- D. (1) Paying all operating and maintenance expenses incidental to the performance of this Agreement. These expenses include, but are not limited to, the cost of fuel, oil, repairs to EQUIPMENT, lubricants, tires, changing and repair of tires, public liability insurance, property damage insurance on the EQUIPMENT while not being operated in the service of CARRIER (for which CONTRACTOR agrees to furnish evidence of such coverage to CARRIER and arrange for CARRIER to be named as additional insured under such policy), road taxes, mileage taxes, fuel taxes, licenses, permits, gross revenue taxes, third structure taxes, ferries and tolls. In each case, this provision is subject only to any regulatory requirements which may be placed on CARRIER by various governmental agencies and on CONTRACTOR by Paragraph 6 of this Agreement.
(2) In the event CARRIER is called upon to pay any of CONTRACTOR'S costs of operations, including but not limited to the cost of federally required physicals and drug screening, such payment shall be considered as an advance to CONTRACTOR and CARRIER is authorized to reimburse itself out of any monies due, in the actual amounts so expended, or becoming due to CONTRACTOR. All such advances, charges, purchases or repairs with respect to CONTRACTOR shall be deducted from the

first check issued to CONTRACTOR after CARRIER is aware of such charges. If the amount to be deducted is more than the amount due CONTRACTOR, the balance of charges will be deducted from subsequent check(s).

CARRIER shall furnish CONTRACTOR with an itemized list of charges to be deducted prior to making the deduction(s). The preceding method of deduction(s) shall also apply to those for any Cargo damage which CONTRACTOR is deemed to be liable for, and any insurance purchased by CONTRACTOR from CARRIER.

E. Scheduling the drivers employed by CONTRACTOR after commodities are tendered to CONTRACTOR.

8. FINES AND VIOLATIONS: When any violation results from the acts or omission of CONTRACTOR, CONTRACTOR shall pay the fine. CARRIER shall only assume the risk and cost of fines for overweight and oversized trailers when the trailers are pre-loaded, sealed, the load is containerized, when the trailer or loading is otherwise outside CONTRACTOR'S control, and for improperly permitted over-dimension and overweight loads. CARRIER shall reimburse CONTRACTOR for any fines of CARRIER responsibility paid by CONTRACTOR.

9. BASE PLATES: If CARRIER is authorized to receive a refund or a credit for base plates purchased by CONTRACTOR from and issued in the name of CARRIER, or if the base plates are authorized to be sold by CARRIER to another CONTRACTOR, CARRIER shall refund to the initial CONTRACTOR on whose behalf the base plate was first obtained a prorated share of the amount received.

10. CREDIT TO CONTRACTOR: In the event that CARRIER extends credit to CONTRACTOR or furnishes gasoline, diesel fuel, oil, antifreeze, tires, tube, filters or any other services or materials, CONTRACTOR will be charged for such services or material. In the event that CARRIER is required to furnish or replace any special or extra equipment, the full amount of cost of said special or extra equipment plus installation charges may be deducted from the payments due under this Agreement. However, CONTRACTOR is not required to purchase or rent any products, equipment or services from CARRIER. CARRIER assumes no responsibility to CONTRACTOR or to third persons for any such service, materials, and equipment or for the use of CARRIER'S repair facilities, and CONTRACTOR hereby expressly agrees to release CARRIER from any such responsibility and to indemnify CARRIER with respect to any claims arising therefrom.

11. WORKER DISABILITY AND COMPENSATION INSURANCE, EMPLOYMENT TAXES:
The CARRIER requires all CONTRACTOR/ SUB-CONTRACTOR drivers to provide a Workers Compensation Policy or obtain a Workers Compensation Policy through the Carrier at weekly deductible rate of \$76.25 a week per driver.

CONTRACTOR/ SUB-CONTRACTOR has and shall retain sole financial responsibility for all Worker's Compensation insurance, withholding and employment taxes due to Federal, state or local governments on account of drivers, drivers' helpers and other workers necessary for the performance of CONTRACTOR'S obligations under the terms of this Agreement. In the event CONTRACTOR is required by law to carry a policy of Worker's Compensation insurance on contractor or contractor's employees, CONTRACTOR agrees to carry such insurance and CONTRACTOR is then also required to name CARRIER as an additional insured on such Worker's Compensation policy. CONTRACTOR agrees to release CARRIER from any claim now or in the future held by or through CONTRACTOR (in the event CONTRACTOR is an individual, or an individual operating through a partnership), and hold CARRIER harmless from claims by any other persons including drivers, drivers' helpers and other workers used by CONTRACTOR, or by any Federal, state or local governmental agency, on account of wages, industrial accident or Worker's Compensation claims, withholding and employment taxes, or any other actions arising from CONTRACTOR'S relationship with its employees. To fulfill its obligation under this paragraph, CONTRACTOR agrees to:

- A. Maintain in force at all times proper Worker's Compensation insurance coverage covering all drivers, drivers' helpers,
and laborers used by it in the performance of this Agreement. This insurance shall name CARRIER as an additional
insured and be from an insurance company acceptable to CARRIER. In the event CONTRACTOR is legally obligated
to but does not procure and maintain such insurance, CARRIER may obtain and provide such insurance

either in

CONTRACTOR'S name or in CARRIER'S name and deduct the cost of such insurance from the compensation due

under this Agreement. In the event the applicable state or federal law is changed to require CONTRACTOR to provide

Worker's Compensation insurance coverage on CONTRACTOR or CONTRACTOR'S employees in circumstances

where CONTRACTOR is not obligated to provide such coverage on the date this Agreement is executed, or in the

event CARRIER becomes legally obligated in the future for additional charges or premiums for Worker's

Compensation insurance coverage as the result of utilizing the services of CONTRACTOR and CONTRACTOR'S

employees, CONTRACTOR agrees to pay for or reimburse CARRIER for the premiums or additional liability incurred;

- B. File all Federal, state and local income, withholding, employment and Federal Highway Use Tax forms and returns, which it may be required by law to file on account of itself and all drivers, drivers' helpers and laborers used by it in the performance of this Agreement; to file these returns at the time and place which may be specified in the applicable Federal, state and local laws, and to pay when due all taxes and contributions reported in such form and returns; and
- C. File and provide CARRIER with copies of all questionnaires, affidavits and exclusion forms including WCA-WC-337, BWC337 and its successor if any issued by the Michigan Department of Workers' Disability Compensation or similar documents required by the Internal Revenue Service or the Michigan Department of Treasury, as is necessary to verify the independent contractor relationship between CONTRACTOR and CARRIER to the satisfaction of those agencies, and the obligation or lack of obligation on any party for payment of workers' disability insurance premiums or employment taxes within the jurisdiction of those agencies;
- D. Furnish CARRIER with such evidence of compliance with the foregoing as CARRIER shall reasonably require; and
- E. In the event CONTRACTOR fails to comply with the provisions of this Paragraph, CONTRACTOR agrees that CARRIER may obtain a policy of insurance and otherwise comply with the obligations and requirements otherwise required of CONTRACTOR in this Paragraph. In the event CARRIER obtains the policy of insurance required in this Paragraph on behalf of CONTRACTOR, the amount attributable to the employee compensation for insurance purposes shall be equal to thirty-three and one-third (33-1/3%) percent of the total compensation paid by CARRIER to CONTRACTOR under this agreement.

12. LIABILITY INSURANCE CONTRACTOR agrees to carry insurance coverage with respect to public liability and property damage in the limits of **\$100,000.00** for any person, \$750,000.00 for any accident and \$50,000.00 property damage in any accident, as concerns all EQUIPMENT under this Agreement when used in performance of a trip under this Agreement and agrees to furnish evidence of such coverage to CARRIER and arrange for CARRIER to be named as additional insured under such policy. CONTRACTOR further agrees that it shall be primarily responsible for receiving, defending and paying any claims or litigation arising as the result of service provided by CONTRACTOR'S employees or equipment while providing service for CARRIER.

13. CARGO LOSSES, PROPERTY DAMAGE, CARGO AND LIABILITY INSURANCE

- A. CONTRACTOR shall be responsible and liable to CARRIER and agrees to pay for any shortage, loss of, or damage to cargo transported by CONTRACTOR in the event that such shortage, loss or damage is caused directly or indirectly by the operations of CONTRACTOR or its employees or agents.
- B. CARRIER shall not in any way be liable for any damage, fire or theft, which may occur to the EQUIPMENT.
- C. Pursuant to the Rules and Regulations of the Federal Motor Carrier Safety Administration, United States Department of Transportation or other regulatory agency, CARRIER shall maintain at its own expense public liability, property damage and cargo insurance coverage as concern shippers and the

general public.

14. EQUIPMENT IDENTIFICATION CARRIER will provide all identification required by any governmental agencies to be affixed to EQUIPMENT, and CONTRACTOR agrees that such identification shall be removed and returned to CARRIER upon termination of this Agreement. CONTRACTOR is responsible for the act and cost of obliterating or permanently covering over any signs, logos, or other markings on the EQUIPMENT identifying CARRIER that cannot be removed and returned to CARRIER and bringing the EQUIPMENT to CARRIER for verification.

15. CUSTOMER SATISFACTION

A. CONTRACTOR shall exercise all diligent efforts to conduct his operations under this Agreement to assure continued customer satisfaction.

B. In order to meet CARRIER's obligations to the shipper and consignee, and in order for CARRIER to fulfill its legal obligations, CONTRACTOR shall advise CARRIER of the progress of the haul at such intervals as CARRIER shall reasonably request. CONTRACTOR shall advise CARRIER by telephone upon loading and delivery to verify information related to local transportation of the cargo. CONTRACTOR shall immediately advise CARRIER of any fact that will prevent CONTRACTOR from performing any hauling services in accordance with the terms applicable to the particular movement. CONTRACTOR shall reimburse CARRIER for any amount paid by CARRIER due to CONTRACTOR'S failure to so advise CARRIER. CARRIER shall not exercise its right to request progress calls or other advisements so as to interfere with or violate CONTRACTOR'S right to select routes within the scope of CARRIER'S authority, or its right in general to exercise the discretion and judgment in the performance and exercise of CONTRACTOR'S rights and obligations under this Agreement as an Independent Contractor.

16. TERM OF AGREEMENT This Agreement shall be in effect for one (1) year, unless breached by either party, or terminated. Either party may terminate this Agreement on thirty (30) day written notice to the other party, or upon the written consent of both parties. All signs, lettering and markings must be removed within twenty-three (23) hours of termination. Final settlement and payment of any sum or sums due shall be made on or before ninety (90) days from the date of termination of this Agreement. Where permits, plates, identification signs and other company documents have not been returned to CARRIER, payment may be withheld until these items are returned.

17. BREACH If, in the opinion of CARRIER, CONTRACTOR has breached this Agreement in such a manner as to subject CARRIER to liability to any shipper, consignee or a governmental authority, CARRIER may take possession of the commodities being hauled by CONTRACTOR and complete the shipment. CONTRACTOR shall reimburse CARRIER for any costs, expenses or damages incurred by CARRIER as a result of CARRIER'S taking possession of the commodities, and completing the shipment, including, but not limited to, costs of re-handling and transferring the commodities, hauling expenses, damages paid to the shipper or consignee, and any costs and legal expenses incurred. In addition, CONTRACTOR shall be responsible to CARRIER for any early termination of this Agreement resulting in damage or expense to CARRIER.

18. EFFECTIVE DATE This Agreement shall become effective on the date reflected on the equipment receipt attached as Exhibit "A". When possession of equipment is surrendered by CARRIER to CONTRACTOR, CONTRACTOR shall furnish a similar receipt to CARRIER and at the same time return to CARRIER all identification devices and other property furnished by CARRIER to CONTRACTOR.

19. INDEPENDENT CONTRACTOR STATUS By this Agreement, the parties intend to create the relationship of CARRIER and INDEPENDENT CONTRACTOR and not an EMPLOYER-EMPLOYEE relationship. Neither CONTRACTOR nor its employees are to be considered employees of CARRIER at any time, under any circumstances, or for any purposes. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise except as herein specifically provide. Nothing in this Agreement restrains or prevents CONTRACTOR from executing similar agreements and providing services to any other party during the term of this Agreement, so long as the EQUIPMENT used for the other party is not that EQUIPMENT specified in this Agreement.

20. HOLD HARMLESS

- A. CONTRACTOR agrees to indemnify and hold harmless the CARRIER, its agents, servants and assigns, against any and all losses, damages, injuries, claims, demands and all expenses, legal or otherwise (including court costs and attorney's fees) arising on account of the services provided by CONTRACTOR or the use or operation of the equipment identified in this Agreement. CONTRACTOR shall not however be required to pay or discharge any claim or demand referred to in this Section so long as the validity or amount shall be contested in good faith and by appropriate legal proceedings, in any reasonable manner which will not adversely affect CARRIER. The indemnities and assumptions of liability in this Section shall continue in full force and effect notwithstanding the termination of this Agreement, whether by expiration of time, operation of law or otherwise. However, such indemnities and assumptions of liability shall extend only to acts arising during the term of this Agreement. CARRIER shall give CONTRACTOR prompt notice of any claim or liability to be indemnified.
- B. Acts of liability under this provision shall include, but not necessarily be limited to intentional, negligent or gross negligent acts, errors or omissions on the part of CONTRACTOR or CONTRACTOR's agents, employees, servants or representatives arising during the term of this Agreement, whether presented during the term of this Agreement or at any time thereafter.
- C. CONTRACTOR shall be responsible for any expense incurred by CARRIER due to CONTRACTOR's failure to comply with this provision of this Agreement, together with interest at the legal rate.
- D. Nothing in this Paragraph shall be construed in any way to limit the liability of CARRIER to the public in connection with the use of the equipment or CONTRACTOR's services provided for under this Agreement.
- E. CONTRACTOR shall be liable to CARRIER for any loss or damage to third persons or their property up to the deductible of Two Thousand Five Hundred Dollars (\$2,500.00) cargo damage, Two Thousand Five Hundred Dollars (\$2,500.00) public liability/property damage, for which CONTRACTOR is held responsible to pay to CARRIER.

21. ADDITIONAL DOCUMENTATION CONTRACTOR understands and agrees that as part of the process of working with CARRIER under this Agreement, additional documents and agreements will be required and shall be incorporated into this Agreement, including but not limited to the Contractor/Drivers Code of Conduct (Exhibit "C"), the **Christy Transport LLC** Satellite Communications agreement (Exhibit "D"), the **Christy Transport LLC** Process and Certification Fee Agreement (Exhibit "E") and the **Christy Transport LLC** Statement of Existing Lease Agreement (Exhibit "F"), that these supplementary agreements and forms may be amended from time to time and upon notice of such amendment CONTRACTOR will consent and agree to those changes as part of the agreement to continue providing service to CARRIER under this Agreement.

22. FUEL TAXES

- A. CARRIER shall make the necessary fuel and use tax filings in states permitted and CONTRACTOR shall make the necessary fuel and use tax filings where required. CONTRACTOR shall pay for fuel and use tax expenses incurred as a result of CONTRACTOR'S failure to provide sufficient fuel receipts as proof of payment. The CARRIER will assemble the mileage and fuel tax records necessary for all jurisdictional reports and will supply this information to the CONTRACTOR for his reporting. Fuel use tax reports filed by CARRIER shall be computed monthly using CONTRACTOR'S total miles and fuel purchases to determine the average fuel consumption rate for all of CONTRACTOR'S equipment under this agreement. Fuel purchases made by CONTRACTOR shall be deducted from CONTRACTOR'S average consumption rate to determine CONTRACTOR'S tax liability in accordance with the following formula:

$$\begin{array}{r}
 \text{CONTRACTOR'S Miles Reported in Each State or Province} \\
 \text{CONTRACTOR'S Average Miles Per Gallon (MPG)} \\
 \mathbf{X} \\
 \text{Applicable Fuel Tax Rate for Each State of Province} \\
 \mathbf{Less} \\
 \text{Fuel Tax Paid at Pump in Each State or Province} \\
 \mathbf{Equals} \\
 \text{CONTRACTOR'S Fuel Tax Liability}
 \end{array}$$

- B. CONTRACTOR will indemnify and hold CARRIER and CARRIER's respective employees, agents, legal representatives, successors, heirs, assigns and insurers from any cost or liability that may arise

from CONTRACTOR's obligations for fuel tax payments.

- D. In the event that CONTRACTOR's action results in a fuel tax liability being assessed against CARRIER, CARRIER may satisfy the fuel tax liability and a corresponding amount may, at the option of CARRIER, be deducted from and be an offset against the amount of compensation due and payable to CONTRACTOR under this Agreement.

23. NO BACK SOLICITATION AGREEMENT At any time while this Agreement is effective and for a period of two (2) years thereafter, CONTRACTOR shall not solicit traffic from any consignor, consignee, or Customer of CARRIER (collectively referred to as "CUSTOMERS") where either (1) the availability of such traffic first became known to CONTRACTOR as a result of CARRIER's efforts, or (2) the traffic of the CARRIER, consignor, consignee or customer of the CARRIER was first tendered to the CONTRACTOR by the CARRIER. If CONTRACTOR breaches this Agreement and "back-solicits" the CARRIER's customers, and obtains traffic from such customer, CARRIER then is entitled, for a period of fifteen (15) months after the involved traffic first begins to move, to a commission from the CONTRACTOR equal to Fifteen (15%) Percent of the transportation revenue received on the movement of the traffic. CONTRACTOR further agrees that CARRIER may publicly report this breach of the Agreement, if it occurs, to any trade association or publication, and that the facts of the breach may be published.

24. ESCROW (CARRIER requires an escrow deposit from CONTRACTOR).

- A. CONTRACTOR agrees to deposit with CARRIER the sum of \$2,500.00 dollars (two thousand five hundred dollars) at the time of execution of this Agreement to be held in escrow and that CARRIER may retain such amount to indemnify any and all losses it suffers by CONTRACTOR'S breach of the provisions of this Agreement, the return of all of CARRIER'S documents, cards, plates, and the removal of CARRIER'S permit numbers and identification signs upon termination of this Agreement and CONTRACTOR further agrees that the amount of said escrow may be retained until such time as any and all regulatory cards and plates have been returned and CARRIER'S name and permit numbers have been removed from the EQUIPMENT.
- B. If CONTRACTOR does not keep his equipment operating for the full period of this Agreement, CARRIER may deduct the minimum fee paid to any regulatory agency to certificate such equipment from the indemnity deposit. At the termination of this Agreement, CARRIER shall make all proper deductions from said escrow and make a final accounting to CONTRACTOR of all final deductions from said escrow and return the balance of said escrow to CONTRACTOR within forty-five (45) days of the termination of this Agreement.
- C. CARRIER shall provide CONTRACTOR with an accounting of any transaction involving the escrow (i) by clearly indicating in individual settlement sheets the amount and description of any deduction or addition made to the escrow, or (ii) by providing a separate account of any transaction involving the escrow account upon reasonable request and in any event on a monthly basis.

25. MISCELLANEOUS GENERAL PROVISIONS

- A. This Agreement supersedes and cancels all prior letters of intent, agreements, understandings, offers and assurances, oral or written, of any party, and shall be the sole agreement with respect to the matters involved, except as may be agreed to in writing by subsequent amendments.
- B. This Agreement is subject to and governed by the provisions of Federal law and regulation, specifically 49 USC 13301 and 14102, as well as 49 CFR, Part 376 entitled "Lease and Interchange of Vehicles". In the event this Agreement is determined to conflict with the terms of those statutes and regulations the terms of the statutes and regulations are adopted and shall control. In every other respect involving governing law, this Agreement is being delivered and is intended to be performed in the State of Michigan and shall be construed and enforced in accordance with the laws of that State.
- C. This Agreement shall be binding upon and shall insure to the benefit of the parties hereto, their personal representatives, heirs, successors and assigns.
- D. No modification of this Agreement shall be valid unless in writing and executed by all the parties hereto. No breach of any provision of this Agreement shall be deemed waived unless specifically waived in writing by the non-breaching party. The waiver of any breach of any term or condition hereof shall not be deemed a waiver of any other or subsequent breach, whether of like or of different nature.
- E. This Agreement may be executed simultaneously in or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. In place of filing this entire document with any public agency or carrying a copy of this Agreement in each

vehicle as required by regulation, the parties agree that a copy of the FMCSA short-form lease agreement may be signed by the parties and used for those purposes.

- F. If any provision in this Agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Agreement.
- G. The "Preliminary Matters" stated above are incorporated into and made a part of this Agreement.
- H. The rights and authorities granted to CONTRACTOR under this Agreement shall not be transferable, saleable or assignable.

“ESCROW FUND CONTRIBUTIONS”

- A. CARRIER shall deduct from the CONTRACTOR gross compensation under this Agreement an amount not to exceed a rate of **\$100.00 (One Hundred Dollars)** per weekly settlement until a total Principal Amount of \$2,500.00 dollars (two thousand five hundred dollars) has been reached in the “Escrow Fund”.
- B. CARRIER shall make deductions from CONTRACTOR’S compensation at the rate set forth and deposit these amounts in the Escrow Fund beginning the first week of services provided by the CONTRACTOR under this Agreement. If, at any time, the principal amount in the Escrow Fund falls below the indicated Principal Amount, the CONTRACTOR authorizes the CARRIER to deduct from the CONTRACTOR’S compensation at the indicated rate until the minimum principal amount is replenished.
- C. From the CONTRACTOR’S Escrow Fund, as set forth in this Agreement, the CARRIER shall have a right to recover, through collection agencies, litigation, the right of setoff, and all other available legal means, any such amounts/ deductibles the CONTRACTOR owes, or comes to owe the CARRIER under this Agreement for any such loss, theft, damages, recovery, un-authorized incidentals incurred, charge backs, found to be at fault or liable including, but not limited to:
 - 1. Driving / Personal Habits resulting in vehicle damage / property damage / freight damage and or loss claims
 - 2. Driving / Personal Habits resulting in human injury / loss of life and or loss claims
 - 3. Fines / Tickets

 - 4. Money borrowed
 - 5. Recovery of Vehicle Abandonment
 - 6. Chargebacks for failure to deliver or meet scheduled delivery appointments
 - 7. Failure to provide company documents (to include B/L)
 - 8. Unauthorized usage of company equipment (to include fuel)
 - 9. Chargeable Accidents (voluntary or involuntary)
 - 10. Chargeable Accidents upon termination (voluntary or involuntary)
 - 11. Failure to return company issued property/ merchandise (i.e. PrePass, equipment, chains, locks, brooms, straps, ELD/ AOBRD Device, cables/ cords/ connection wires, electronics, plates, permit books, decals/ stickers/ signs (i.e. IFTA, NY HUT, Tractor Company Lease Display, RFID, etc.)
- D. Should funds be remitted to the CONTRACTOR’S (“Settlement Compensation”), the CONTRACTOR shall, immediately after each settlement, pay the CARRIER any net amount the CONTRACTOR continues to owe the CARRIER following the making of such deductions, instead of or in addition to making the deductions authorized by the CARRIER.
- E. CONTRACTOR hereby authorizes the CARRIER to deduct or otherwise recover from the CONTRACTOR (pursuant to this Agreement) amounts equal to charges for the purchase of fuel, products or services, including repairs that are charged to the CARRIER. The CONTRACTOR is never to charge any amounts to the CARRIER’S account – or execute or endorse any negotiable instrument for or on behalf of the CARRIER – without the CARRIER’S express written permission or consent in advance, and the CONTRACTOR and the CARRIER shall not incur or authorize any other debts in the name of the other.

Specific Items Documentation

- A. CARRIER shall provide the CONTRACTOR a written explanation, itemization and documentation of any deductions for cargo or property damage before making them. With respect to all charge-backs and deductions, the CARRIER shall make available to the CONTRACTOR, upon request, copies of

those documents necessary to determine the validity of the charge.

- B. The Escrow Fund shall be held by the CARRIER for the purpose of ensuring compliance with the provisions of this Agreement. The specific items to which the Escrow Fund shall apply are charge back and deduction items set forth in this Agreement.

The parties have executed this Agreement on _____ / _____ / _____

CARRIER: Christy Transport LLC

CONTRACTOR: _____

Carrier Authorized Representative

Signature

Print

Date

Date

Exhibit "A"
DESCRIPTION AND SPECIFICATIONS **UNIT # _____**

Tractor (Year / Make)	Color
VIN#	Current Mileage
DOT Inspection Date	Date of last Major Repair
Mileage at Major Repair	Mileage since last PM
Wheel Base	Tire Size
Condition	Engine Manufacturer
Engine Size	Rears
Transmission	5 th Wheel Height
Sleeper Size	Weight w/ Trailer
Fuel Tank Capacity	Draw
Empty Weight	Gross
Gross weight	Insured by
Insurance Agent	Policy #
IRP Base Plate State	Plate#
Plate Expiration Date (M / D / Y)	Purchase Price
Financed by	

RECEIPT BY CARRIER

The undersigned CARRIER hereby acknowledges the receipt of the equipment from CONTRACTOR, in acceptable condition on the _____ day of _____ at _____ AM / PM

Signature

CONTRACTOR INITIALS _____

RECEIPT BY CONTRACTOR

The undersigned CONTRACTOR hereby acknowledges the receipt of the equipment from CARRIER, in acceptable condition on the _____ day of _____ at _____ AM / PM

_____/_____
Contractor Signature / DBA

Print Name

Christy Transport LLC

Appendix (Exhibit) "B"

Schedule of Payments

Contractors Lease Agreement

Total payment for services rendered, benefits due and for the use of said equipment herein described shall be as follows:

Rates are agreed upon between **\$1.25 to \$2.00** per load as agreed upon by both parties (Carrier and Contractor). Contractors are not forced to take loads. Contractors must enter into a verbal agreement for transportation services load to load. Each load is a separate agreement. Verbal Agreements must be executed by the contractor for each load without fail. Accessorial charges may apply for additional services rendered. Accessorial Charges will only be paid when the Carrier is paid for said charges. If the Contractor fails to execute the load as agreed without cause the Carrier may hold the Contractor liable for any cost arising from the proper coverage of the agreed upon load. Management and Ownership reserve the right to determine the cause of failures and associated cost.

- *All tolls directed by company are reimbursed
- **All scale tickets directed by the company are reimbursed
- ***All other expenses directed by the company are reimbursed

All Contractors

The contractor will be responsible for all fuel tax costs less credit for paid on fuel purchased. In the event that **Contractor's** assigned driver for said Unit pulls a wrong, incorrect, empty or misloaded trailer, **Contractor** is responsible to **Carrier** for all expenses incurred by **Carrier** as a result of this error by **Contractor's driver**, including any assessments or additional costs assessed by any and all parties involved.

In the event a **contractor** is unable to deliver a load due to circumstances outside the control of **Carrier**, including but not limited to equipment breakdown, **Carrier** will deduct all reasonable transportation charges incurred to pick up and deliver said load to its destination. In the event that **Contractor's** Unit herein is unable to complete the assigned trip, One Dollar and Fifty Cents (\$1.50) per mile charge will be levied by the **Carrier** upon the **Contractor**, from point of dispatch to point of delivery. Contractor, shall be responsible for the prompt return and availability of the trailer to the place specified by **Carrier**. In the event of **Contractor's** failure to promptly return said trailer, **Contractor** shall be liable to the **Carrier** for all expenses incurred by the **Carrier** in connection with the return of said trailer but not less than One Hundred (\$100.00) Dollars per day.

Carrier may deduct such amounts due the **Contractor** and **Contractor** authorizes **Carrier** to make such deductions from the next payment due to **Contractor**.

CARRIER: Christy Transport LLC

CONTRACTOR: _____

Carrier Authorized Representative

Signature

Print

Date

Date

CONTRACTOR INITIALS _____

Exhibit C

CONTRACTOR / DRIVERS CODE OF CONDUCT

- Hair must be kept neat and clean
- All beards must be neat and well-groomed
- No tank tops or inappropriately designed t-shirts are to be worn
- No sandals are to be worn at any time while on duty

You represent Christy Transport LLC and your appearance is important.

CONTRACTOR and CONTRACTOR'S DRIVER hereby agree to submit to a physical examination and/ or drug screen as requested by the CARRIER.

CONTRACTOR and CONTRACTOR'S DRIVER agrees to familiarize himself with all Rules issued by CARRIER and to abide by all present and subsequently issued rules of the CARRIER. CONTRACTOR and CONTRACTOR'S DRIVER further agree that this Agreement may be terminated by the CARRIER for any reason at any time without liability to CONTRACTOR and CONTRACTOR'S DRIVER.

CONTRACTOR and CONTRACTOR'S DRIVER hereby authorize, without liability, any person or organization whose name they have given as a reference, or by whom they have been previously employed, to furnish the CARRIER any information they may have concerning the character, habits, ability, financial responsibility, job performance, reasons for leaving employment and all information concerning CONTRACTOR and CONTRACTOR'S DRIVER, to other companies and carriers requesting such information. CONTRACTOR and CONTRACTOR'S DRIVER hereby release all such persons and organizations from any claims for damages of any kind which they may claim by reason of furnishing such information.

CONTRACTOR and CONTRACTOR'S DRIVER hereby authorize any law enforcement agency or court of record to furnish the CARRIER information concerning Motor Vehicle Records or any record of any civil infraction, felony or misdemeanor of which CONTRACTOR and CONTRACTOR'S DRIVER may have been convicted.

CONTRACTOR and CONTRACTOR'S DRIVER hereby agree to adhere to all FMCSA safety rules and regulations set forth by the CARRIER to include 49 CFR Parts

- § 392 Driving of Commercial Motor Vehicles
- § 395 Hours of Service of Drivers
- § 395 Subpart A - General
- § 395 Subpart B - Electronic Logging Devices (ELDs)
- § 396.11 Driver vehicle inspection report(s) - § 396.13 Driver inspection
- * FMCSR, * HMR, * Canadian Hours of Service
- * Commercial Vehicle Drivers Hours of Service Regulations (SOR/2005-313), * The National Safety Code

This certifies that this application was completed by the CONTRACTOR and or CONTRACTOR'S DRIVER and that all entries on it are true and complete to the best of my knowledge. Any false, misleading incomplete statements of the information requested in this application shall be sufficient means for discharge from employment.

CARRIER: Christy Transport LLC

CONTRACTOR: _____

Carrier Authorized Representative

Signature

Print

Date

Date

Exhibit D

Christy Transport LLC

ELD / Satellite Communications

Motive Installation, Processing, and Certification

I, _____ (Name / Inc. DBA), the undersigned, understand that there is a cost to the company to process, permit and decal CONTRACTOR'S equipment and qualify driver(s) as required by the Department of Transportation and the insurance company policy.

Because of the cost to the company and in consideration of the company paying this expense, I agree that if my services to Christy Transport LLC are terminated for any reason prior to 6 months (180) days of continuous service, I authorize Christy Transport LLC to deduct if need be an amount not to exceed \$500.00 (five hundred dollars) for said services, per truck, from any moneys owed to me.

Motive Equipment Return

I, _____ (Name / Inc. DBA), the undersigned, understand and agree that there is a cost to the company for the undersigned specific vehicle to utilize the Motive equipment and services provided.

I agree that if my services are terminated from Christy Transport LLC for any reason, I will return all the Motive Equipment (including cables, bracket(s), mounting hardware, accessories, manuals/ instructions, etc.) in undamaged proper working order/ condition. If the equipment (including cables, bracket(s), mounting hardware, accessories, manuals/ instructions, etc.) is not returned in undamaged proper working order/ condition, I authorize Christy Transport LLC to deduct an amount not to exceed \$1,100.00 (one thousand one hundred dollars) for the cost of the equipment and accessories from any moneys owed to me.

CARRIER: Christy Transport LLC *CONTRACTOR:* _____

Carrier Authorized Representative

Signature

Print

Date

Date

Exhibit E

Christy Transport LLC

Process and Certification Fee

I, _____ the undersigned (“Contractor”), understand and agree that there is a cost to **Christy Transport LLC** (the “Company” or “Carrier”) to process, permit and decal Contractor’s equipment and qualify driver(s) provided by Contractor as required by the Department of Transportation and the insurance company policy.

Because of the cost to the Company and in consideration of the Company paying this expense, I agree that if my services to **Christy Transport LLC** are terminated for any reason prior to one hundred and eighty (180) days of continuous service, I authorize **Christy Transport LLC** to deduct the amount of all such fees per truck or vehicle for such services, not to exceed One Thousand (\$1,000.00) Dollars, from any monies owed to me.

CARRIER: Christy Transport LLC **CONTRACTOR:** _____

Carrier Authorized Representative

Signature

Print

Date

Date

Exhibit F

STATEMENT OF EXISTING LEASE AGREEMENT

The following statement must be properly signed by both Carrier (also referred to as "Lessor") and Contractor (also referred to as "Lessee"), and presented to the Bureau of Motor Vehicles for title/registration of all lease motor vehicles.

Name _____
(Contractor / Lessee)

Address _____

Federal ID # _____

Is the owner of: Year _____ Make _____?

Identification # (Vin) _____

and have entered into a Contractor Operating Agreement ("LEASE") with the following Lessor:

Christy Transport LLC
5000 Wyoming Ave Suite 121
Dearborn, Michigan 48126

and will remain in the property of the same. (If plate / excise ownership is different than indicated, an attached affidavit stating ownership(s) is required)

THE PLATE FEE AND COUNTY EXCISE TAX ARE TO BE PAID BY THE

CARRIER / LESSEE _____ **Check One:** CONTRACTOR / LESSOR _____

CARRIER: Christy Transport LLC

CONTRACTOR: _____

Carrier Authorized Representative

Signature

Print

Date

Date

CONTRACTOR INITIALS _____