

TRUCK LEASE AND SERVICE AGREEMENT

Pacific 9 Transportation, Inc. with local office at 21900 S. ALAMEDA ST. [address], ("Lessor") leases to AMAZON LOGS [customer], at [address] ("Customer") upon the following terms and conditions those vehicles described in each executed Schedule "S" from time to time attached and made part of this Agreement and interim, substitute, and extra vehicles as provided under this Agreement (all collectively referred to as "vehicle(s)" unless otherwise stated).

1. **Term:** The lease term for each vehicle under this Agreement begins on the In Service Date of such vehicle and continues until expiration of the lease term as indicated in the applicable Schedule "S". Execution by Customer of this Agreement and applicable schedules will authorize Lessor to acquire the vehicle(s) described for lease to Customer.

2. **Vehicle Acceptance:** Each Schedule "S" vehicle will conform to the specifications contained in Schedule "S", and Customer will accept each vehicle within five days of notification of availability for delivery. Upon delivery, Customer will complete and sign an In Service Notification.

3. **Payments:** Customer will pay to Lessor the charges due under this Agreement within fourteen days after the date of Lessor's invoice to Customer. Payments not made when due will be subject to late charges at the rate of eighteen percent per year or the maximum permitted by law, whichever is less. Mileage/hours for billing purposes will be determined by a mileage/hour recording log book and will be reported by Customer on a weekly basis.

4. **Service:**

a. **General.** Except as otherwise provided, Lessor will furnish for each vehicle the following:

- (1) All repairs including parts and labor, preventive maintenance, inspections and road service;
 - (2) All necessary tires, antifreeze, oil and lubricants; and
 - (3) Painting and lettering within the limits described in Schedule "S"
- for all but interim, substitute or extra vehicles at a facility designated by Lessor.

b. **Scheduled Services.** Customer agrees to make available and deliver each vehicle to a facility designated by Lessor when notified by Lessor that services are required. Lessor will not be required to provide substitute vehicles during periods of scheduled services.

c. **Unauthorized Repairs.** Customer will promptly report, on forms provided by Lessor, all problems regarding the operation of any vehicle. Customer, its drivers, agents and employees will not attempt to make any repairs, adjustments or modifications to any vehicle, and Customer will be responsible for any damages resulting from unauthorized repairs, adjustments or modifications. Emergency road repairs over \$25 must be approved in advance by Lessor.

d. **Substitution.** Unless otherwise stated on Schedule "A," if any Schedule "S" vehicle is mechanically disabled, Lessor will, at no additional charge and within a reasonable time after notice from Customer, substitute for the vehicle a reasonably comparable vehicle at the location where the vehicle is mechanically disabled. When the vehicle is repaired, Lessor will notify Customer and Customer will promptly return the substitute vehicle to Lessor as designated. Lessor will not be required to supply a substitute vehicle when a vehicle is disabled due to physical damage, collision, fire, comprehensive damage, theft of vehicle or vehicle parts; in such situations, Lessor will supply at Customer's request and as available, an extra vehicle at Customer's cost consistent with paragraph 5 of this Agreement.

e. **Other.** Customer will be responsible for all costs related to: (1) damage to vehicle tires, other than normal wear and tear;

- (1) mired vehicles;
- (2) damage due to operation of a vehicle off a paved road;
- (3) damage to vehicle resulting from Customer's failure to check and maintain adequate fluid and lubricant levels;
- (4) damage or liability resulting from Customer's failure to properly maintain any trailer or special equipment not maintained by Lessor under this Agreement or other maintenance agreement.

5. **Insurance:** Insurance requirements and related provisions are set forth in Schedule "I" which is attached and made a part of this Agreement.

6. **Registration, Permits and Taxes:**

a. **Registration.** When Lessor provides registration as stated in Schedule "A," Lessor will supply, all base plates, proration and reciprocity permits required by law for those states and Canadian provinces (provinces excluded for extra vehicles) listed on Schedule "A."

b. **Fuel Tax Reporting.** When Lessor provides fuel tax reporting, Lessor will supply fuel tax permits for Customer, prepare and file fuel tax returns, and pay the fuel taxes required by law. Lessor will also report and remit third structure taxes on behalf of Customer, and will bill Customer as they are incurred. Customer will provide Lessor weekly with all trip reports, original fuel tickets or invoices, toll road and ton mile tax receipts, and any other records necessary for completion of returns. Customer will reimburse Lessor if mileage driven in the respective states results in additional fuel tax liability; similar credits will be passed on to Customer. Customer will also reimburse Lessor for any additional penalties and interest as a result of Customer's failure to provide accurate and timely information. Customer will be charged a rate per mile as stated in Schedule "S" for each mile not reported on a trip report. Lessor always provides fuel tax reporting for interim, substitute and extra vehicles as such vehicles are permitted under Lessor's name. For miles traveled by interim, substitute and extra vehicles, Customer will provide Lessor with all records necessary for completion of returns.

c. **Tax Allowances.** Lessor will always pay Federal Highway Use Tax and bill Customer as provided in Schedule "A." When provided in Schedule "A," Lessor will pay personal property, ad valorem and excise taxes.

d. **Other Taxes.** Customer will be responsible for (i) any special licenses, permits or taxes which are not provided for above and which may be required by the business of Customer, including but not limited to occupational license fees, use fees, highway or bridge tolls, sales or privilege taxes, overweight and overlength permits, and gross receipt taxes; and (ii) any additional licenses, permits or taxes required for operation of interim or extra vehicles.

e. **Temporary Fuel Permits.** Customer will reimburse Lessor for the cost of all temporary fuel permits obtained on the Customer's behalf.

f. **Liens.** Lessor will have the right to pay any fines or discharge any liens or encumbrances asserted against a vehicle resulting from Customer's failure to pay any assessment or charge for licenses, permits or taxes for which the Customer is responsible under this Agreement, and Customer will reimburse Lessor for such payments.

g. **Pass Through of Certain Charges.** Lessor, on a pro-rata, monthly basis, will pass through the following charges to Customer, which charges will be added to the base monthly rental charges set forth herein: vehicle registration, road taxes and insurance. The weekly charges for these pass through costs are as follows: vehicle registration (\$40.00), road taxes (\$11.00) and insurance (\$195.00). By initialing in this space, AKC Customer acknowledges that these charges have been fully explained to them, that Customer agrees to them and that Customer agrees that they are fair, reasonable and necessary pass through charges that will be deducted from Customer's net settlements.

7. Use of Vehicles:

a. **Business Purposes.** Customer agrees that the vehicles are leased and will be used only for business and commercial purposes and not for personal, household, agricultural or passenger carrying purposes.

b. **Operation and Drivers.** Customer agrees that the vehicle(s) will be operated by safe and careful drivers, properly licensed, at least 21 years of age, who will be deemed to be the Customer's agents under the Customer's direction and control. Customer will not permit a vehicle to be operated by a driver under the influence of alcohol or drugs. Customer will provide Lessor with a full list of its clips authorizing to operate the vehicles and will give written notice to Lessor of any change of drivers within one day of any change. Lessor may investigate each driver's record and make recommendations as to the driver's fitness. Lessor may request the removal of any driver by specifying justifiable cause and Customer will remove that driver immediately. If Customer fails to remove the driver: (1) Customer will be responsible for any loss or expense and will indemnify and hold Lessor harmless from any claims, demands, or liabilities resulting from the operation of the vehicle by such driver. (2) After thirty days written notice, Lessor may, at its option (i) increase the charge for either liability or physical damage insurance coverage or increase the deductible provisions for physical damage where insurance

coverage is provided by Lessor; or (ii) terminate any insurance coverage provided by Lessor; or (iii) terminate this Agreement for default as provided in Paragraph 15.

8. **Overloading:** Customer will not overload any vehicles in excess of GCW/GVW indicated and will pay for towing service, all damages and fines resulting from overloading. Lessor may request and Customer agrees to furnish payload weight documentation.

9. **Observance of Laws:** Customer agrees not to permit the vehicles to be used in violation of any federal, state or municipal laws or ordinances and Customer will hold Lessor harmless from all fines, claims, forfeitures or penalties arising from these violations. In the event a vehicle is impounded as a result of a violation, Customer will continue to pay all charges. If there are changes in any laws requiring the installation of additional equipment or accessories or modification of the vehicles, Lessor will comply with these requirements and Customer will pay for all costs incurred for modification of Schedule "S" vehicles. Customer agrees that the vehicles will not be used for any unlawful purpose or for transportation of persons.

10. **Storage:** Lessor will not provide vehicle storage.

11. **Adjusted Charges:** Lessor and Customer recognize that the charges stated in this Agreement are based on current costs and these costs may fluctuate. Therefore, the vehicle charges will be adjusted upward or downward to reflect cost increases or decreases according to Schedule "A." Each increase or decrease in the stipulated price index from the base index included in Schedule "S" will result in the "stated portion" of the Fixed Weekly Charge and the "stated portion" of the Mileage/Hourly Charge being increased or decreased by the same percentage. This adjustment will be made each calendar quarter using the most recent index figure available. Any adjustment will take effect on the first day of each calendar quarter even if such adjustments are effective before vehicle(s) are placed in service. Adjustments to the Fixed Weekly Charge will be rounded to the nearest whole cent. Adjustments to the Mileage/Hourly Charge will be rounded to the nearest mill or one tenth cent.

12. **Termination:** By giving to the other party sixty days advance written notice of its intention, either party will have the option to terminate this Agreement: (a) as to all vehicles on any anniversary of the In Service Date of the last Schedule "S" vehicle delivered to Customer; (b) as to any one Schedule "S" vehicle on the anniversary of its In Service Date. If Customer terminates, Customer will pay a Premature Cancellation Charge for each vehicle consisting of (i) the unamortized expenses incurred by Lessor calculated in accordance with the applicable Schedule "S" and (ii) the unused portions of prepaid registration fees; Federal Highway Use Tax; personal property, excise and ad valorem taxes; and fuel tax permits. If Lessor terminates in accordance with this paragraph and not due to default by Customer, Customer will not be responsible for the Premature Cancellation Charge. In the event of termination by either party prior to the expiration of the lease term specified in Schedule "S", Customer has neither the obligation nor the right to purchase any vehicle; however, Customer at the end of the lease term may, at its option, purchase Schedule "S" vehicle at a fair market value to be negotiated between the parties.

13. **Default:** The occurrence of any of the following shall constitute an event of default: (a) Failure of Customer to pay any charges due or to perform any of the terms or

conditions required of Customer under this Agreement and such failure continues for a period of five days after written notice from Lessor; (b) Customer (i) becomes insolvent or bankrupt; (ii) is unable to pay its obligations as they mature; (iii) suffers dissolution or termination of its existence or the disposition of all or a substantial portion of its assets; (iv) makes an assignment for the benefit of creditors; (v) makes application for appointment of a receiver of Customer or any of Customer's property; (vi) files, or has filed against it, a petition in any proceeding in bankruptcy or for reorganization, composition, arrangement or liquidation.

Upon the occurrence of an event of default, Lessor may, without notice, exercise one or more of the following remedies: (a) take possession of each vehicle, and retain such vehicle(s) until the event of default is cured, without such actions being deemed a termination of this Agreement and without prejudice to any other rights of Lessor, and Customer will continue to be liable for all payments and charges due under this Agreement during the period of Lessor's retention; (b) terminate this Agreement and take possession of each vehicle, and Customer will be liable for all charges and payments accruing to the date of termination and damages including but not limited to the Premature Cancellation Charge for Schedule "S" vehicles specified in paragraph 14; (c) exercise any other right or remedy available under applicable law to enforce the terms of this Agreement or recover damages for the breach of any of the terms of this Agreement.

Customer will be liable for all costs and expenses, including reasonable attorney's fees, incurred by Lessor by reason of any event described in this paragraph and the exercise of any remedy by Lessor.

Regardless of whether Lessor exercises any of the above remedies or declares a default under this Agreement, Customer will be responsible to Lessor for and will indemnify and hold Lessor harmless from all damages, liabilities and claims resulting from Customer's breach of any of the terms of this Agreement.

14. Return of Vehicles: Upon termination of the lease term with respect to any vehicle, Customer will return such vehicle to Lessor at Lessor's place of business in the same condition and with the same accessories and components as when received by Customer, normal wear and tear excepted. Customer will be obligated to Lessor for payment of all Schedule "S" charges until a vehicle is returned to Lessor.

15. Liability of Lessor: Lessor will not be liable for failure to supply any vehicle, repair any disabled vehicle or otherwise perform the terms of this Agreement if the failure results from fire, riot, strike, other labor troubles, Acts of God, acts of government, war or any other cause beyond Lessor's control. During the period of that failure only, the charges specified in Schedule "S" will abate and the term of this Agreement will be extended for the period of abatement. If Customer is required to secure other vehicles during that period, Lessor will not be liable for charges incurred by Customer for those vehicles. In any event, Lessor will not be liable to Customer or any third party for loss of driver's time, loss or interruption of or damage to business or profits, or for other damages of any nature caused by interruption in service or availability of any vehicle provided by Lessor under this Agreement.

16. **Warranties:** EXCEPT AS OTHERWISE PROVIDED BY THIS AGREEMENT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY AS TO ANY MATTER INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE VEHICLES, THEIR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

17. **Subordination:** Lessor will have the right to finance the vehicles covered by this Agreement by placing a security interest on the vehicles, by assigning any of its rights under this Agreement (but not its obligations) or by leasing the vehicles. Customer will recognize any such security agreements, assignments or leases and will not assert against the financing party any defense, counterclaim or setoff that Customer may have against Lessor.

18. **General:** This Agreement is a lease only and Customer acquires no title or ownership rights to any vehicle. This Agreement with schedules attached makes up the entire agreement between the parties and may be modified only in writing signed by duly authorized representatives of both parties. This Agreement is binding on the parties, their successors, legal representatives and assigns. Lessor may, without Customer's consent, assign this Agreement, but Customer shall have no right to assign, sublet, transfer, encumber or convey this Agreement or any vehicle without the prior written consent of Lessor which will not be unreasonably withheld. The titles of the various paragraphs are solely for convenience of the parties and will not be used to explain, modify, amplify or aid in interpretation of the terms. Failure of Lessor to declare any default or exercise any right under this Agreement will not waive the default and Lessor will have the right at any time to declare that default and take any action permitted by law. Any provision of this Agreement prohibited by law will be deemed amended to conform to such law without in any way invalidating or affecting the remaining provisions. This Agreement will be deemed to have been made in and will be construed in accordance with the laws of the state of California.

19. **Notices:** Any notice required to be given to either party will be written and sent to Lessor or Customer addresses shown on page one, by either registered or certified mail. A copy of notices to Lessor will be sent to 21900 S. ALAMEDA ST. LONG BEACH, CA 90810. These addresses may be changed by notice.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and will not become effective and binding upon the Lessor until accepted and executed by Lessor's authorized representative at Lessor's general offices at 21900 S. ALAMEDA ST. LONG BEACH, CA 90810

Dated: 11-18-2008

Customer

By: [REDACTED]
Name: AMADOR ROJAS
Title: DRIVER

Lessor

Pacific 9 Transportation, Inc.

By: [REDACTED]
Name: KENIA GUZMAN
Title: SAFETY MANAGER

**LEASE AND TRANSPORTATION AGREEMENT
BETWEEN PACIFIC 9 TRANSPORTATION, INC. AND INDEPENDENT CONTRACTOR**

This Lease and Transportation Agreement ("Agreement") is made in triplicate and entered into this 28th day of NOVEMBER, 2008, at Long Beach, California by and between AMADOR LOGISTICS, INC. (hereinafter called "Contractor") and Pacific 9 Transportation, Inc. a California corporation (hereinafter called "Carrier"). This Agreement incorporates by reference the Appendices attached hereto and made a part hereof by this reference.

IN WITNESS THEREOF:

WHEREAS, Contractor is the owner, or lessee, of certain motor vehicle equipment suitable for the transportation of property which equipment is more particularly described in Appendix A ("Equipment"), and attached hereto, and made a part hereof. Contractor represents that he has complied with the provisions of California Vehicle Code (hereafter, "CVC") § 34601 and that he may lawfully operate his commercial vehicle in the transportation of property for compensation, and

WHEREAS, Carrier is now engaged in the transportation of property in interstate commerce pursuant to authority granted to it by the Interstate Commerce Commission (I.C.C.) and/or its statutory successor, the Secretary of the Department of Transportation through administrative delegation to the Federal Highway Administration ("FHWA") and in intrastate transportation of property within California, some or all of which may be exempt from regulation or have been specifically economically deregulated; and

WHEREAS, Carrier desires to enter into an agreement with Contractor for the transportation of general commodities and/or containers, chassis and trailers as may be provided to, by or through Carrier, and Contractor desires to contract with Carrier for the right to transport such goods and/or equipment;

NOW, THEREFORE, Carrier and Contractor, for and in consideration of the mutual covenants and agreements herein contained and for the other good and valuable considerations made and received, HEREBY AGREE THAT:

I. INDEPENDENT CONTRACTOR STATUS

a. Notwithstanding the fact that 49 C.F.R. 390.5 includes independent contractors within the definition of "employee" as the same is utilized for the purposes of the statutes authorizing said regulations, it is the express intention of the parties hereto that for all purposes, **CONTRACTOR WILL ACT SOLELY IN THE CAPACITY OF AN INDEPENDENT CONTRACTOR AND NOT AS AN EMPLOYEE, AGENT, JOINT VENTURER OR PARTNER OF CARRIER FOR ANY PURPOSE WHATSOEVER.** Each party is aware of this classification and willingly accepts same as factually descriptive of their intended working relationship. Except as required by federal statute and regulation, and then, only to the minimum extent of control required by said statute or regulation, Carrier shall have no right to and shall not exercise control over the manner or prescribe the means used or method of the accomplishing those services which shall be contracted for, and/or performed by Contractor pursuant to this Agreement. The general public and all governmental agencies regulating such activities shall be so informed, provided however, that to the extent required by 49 Code of Federal Regulations (C.F.R.) 376.12(c)(1), Carrier "...shall have exclusive possession, control and use of the equipment for the duration of the lease", and "...shall assume complete responsibility for the operation of the equipment for the duration of the lease." The parties are likewise mindful that 49 Code of Federal Regulations (C.F.R.) 376.12(c)(4) provides as follows:

"Nothing in the provisions required by paragraph (c)(1) of this section is intended to affect whether the lessor or driver provided by the lessor is an independent Contractor or an employee of the authorized Carrier lessee." An independent Contractor relationship may exist when a Carrier lessee complies with 49 U.S.C. 14102 and attendant administrative requirements."

The parties will therefore limit the control exercised by Carrier over the Equipment solely to the Carrier's obligations under 49 U.S.C. 14102 and attendant administrative requirements, and no further. The parties reaffirm that, by their compliance with the dictates of these federal statutes and regulations, they do not intend to alter, in any manner whatsoever, their employment relationship wherein Contractor is and remains an independent contractor. Contractor represents that he meets each and all of the requirements set forth at CVC 34624 as an "owner-operator motor carrier of property". Contractor agrees to provide Carrier with the certification required by CVC 34606 (the "Certification") concurrent with execution of this Agreement. Contractor further agrees to retain a copy of the Agreement, the Certification and his Motor Carrier Permit issued pursuant to CVC 34620 in the equipment identified in Schedule A hereto at all times it is being operated upon public roads, streets and highways within California.

b. Those provisions of this Agreement that extend the authority of Carrier over the activities of a commercial driver, have been inserted solely to achieve compliance with Federal and State laws, rules, regulations and the interpretation thereof. None of such provisions, and no other provisions of this Agreement, shall be interpreted or construed as evidence of the parties intent to create or establishing the relationship of employer and employee between Carrier and Contractor, or any driver, agent, servant or other employee of the Contractor.

II. EQUIPMENT AND HAULING

a. Contractor agrees to furnish to Carrier Equipment more specifically described in Appendix A, attached hereto, and by this reference made a part hereof ("Equipment"), along with all necessary labor, to transport, load and unload on behalf of Carrier (or on behalf of such other certificated Carriers into which Carrier may enter "trip lease", or interchange agreement) such shipments as the Carrier may make available to Contractor from time to time. This Agreement shall not be construed as commitment by the Carrier to furnish any specific amount of goods or materials for transportation by Contractor at any particular time or particular place, nor any guarantee of minimum compensation for the use of the equipment during the term of this Agreement.

The Equipment Identification and Receipt appended hereto as Appendix A will be activated upon Carrier's written acknowledgement. Contractor maintains the right and ability to accept or decline any shipment offered; to work at the times and during the periods which he alone chooses and to use his own judgment in planning the manner and means by which any shipment which is accepted from Carrier is picked-up and delivered.

b. 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 chooses to purchase or otherwise utilize such services, his agreement to do so will be set forth in a written agreement which, if executed will be incorporated by this reference into this Agreement.

c. Contractor is not required to load or unload unless he has previously agreed in writing to do so. If such situation arises, compensation for same shall be as set forth in Appendix D hereto.

d. Contractor is required to comply with 49 C.F.R. 390 (Identification of Vehicles) by placing, during the term of this Agreement, identification devices ("Placards") provided by Carrier on the Equipment in the manner prescribed by said regulation. Contractor agrees to accept and make the placement of said Placards as required by regulation and acknowledges receipt of one pair of Placards for such use. Contractor additionally agrees to place a copy of this Agreement on or in the Equipment in satisfaction of the requirements of 49 C.F.R. 376.12 (I) and to maintain same in the Equipment until this Agreement is terminated. Upon termination of this Agreement,

**PLAINTIFF'S
EXHIBIT**

Contractor shall immediately remove Carrier's Placards and return same to Carrier within seven days of such termination or provide suitable evidence of the destruction of same. It is Contractor's sole responsibility to meet with Carrier's representative for the purpose of executing a Receipt acknowledging the termination of the Agreement and relinquishment of the Equipment to Contractor. In the event Contractor fails to meet and execute such Receipt within seven days of termination, Contractor specifically authorizes Carrier to execute such Receipt on Contractor's behalf as his or her agent thereby acknowledging release of the Equipment to Contractor as of 0001 hours on the day following Contractor last performed service. Carrier will mail a conformed copy of such release to Contractor within fourteen days of termination. Such mailing will be to Contractor's most recent mailing address as appearing on Carrier's records.

III. COMPENSATION

The compensation to be paid hereunder includes compensation for both the Equipment and a qualified commercial driver who Contractor selects to operate said Equipment. Compensation becomes payable upon the satisfactory completion of each singular service as agreed by Contractor or his or her agent. Satisfactory completion includes physical delivery of the shipment as agreed and in good condition and the submission to Carrier of the documents validating said physical delivery. The terms applicable to such payments are as follows:

a. For the full and proper performance of each trip made by Contractor under the terms of this Agreement, Carrier shall pay Contractor weekly in arrears after submission by the Contractor by mail, or in person, to Carrier those documents showing full and proper performance of the terms of this Agreement on each trip and in compliance, during such period, with state and federal, drug and alcohol testing compliance, hours of service documentation and compliance with equipment inspection and maintenance laws, rules and regulations. Payment may be delayed solely upon the basis permitted by 49 C.F.R. 376.12 (f) or its regulatory successor. Carrier's rates are appended hereto and incorporated herein by this reference as Appendix D. Said rates are not calculated as a percentage of Carrier's gross revenue for the shipment but are portrayed in stated U.S. dollar sums. Accordingly, both parties hereto waive the requirements of 49 C.F.R. 376.12 (g). Contractor shall receive settlement for his services provided according to this agreement within 15 days after submission of necessary delivery documents and other paperwork. Compensation shall be on a "load by load" basis according to Carrier's rates as the same are set forth on Appendix D and from time to time amended. Contractor acknowledges receipt of or the opportunity to review a current copy of said schedule of rates and agrees to the terms of compensation set forth thereon. It is Contractor's obligation to request subsequent rate schedules as they are published and to otherwise audit the payments which he receives for his services. Contractor's failure to request or otherwise obtain such rate schedules shall not in any manner inhibit the effectiveness of same for the purposes of this agreement.

b. In addition to log books required by the United States Department of Transportation, the required documents may include, interchange receipts, delivery receipts, trip permits, bills of lading, toll receipts, weight receipts, and such other documents as may be required by the laws of the United States, any sovereign state or district of the United States or regulations propounded by force of such state or district law; the United States Department of Transportation or reasonably necessary to effectuate invoicing and payment of Carrier's services.

c. Contractor shall submit the aforementioned documents in a timely manner following the completion of the trip. Failure to submit said documents resulting in the Carrier's inability to bill or to collect upon its billing, may, at the Carrier's discretion, disqualify the Contractor from payment. In those situations wherein Contractor provides those documents set forth at 49 C.F.R. 376.12 (f) and same are in proper order to obtain payment from Carrier's customer, Contractor will be paid for the services provided within fifteen days next following submission of the required documentation.

d. Carrier, at its option, may deduct from any payment otherwise due Contractor all, or part of, any amount for which Contractor is indebted to Carrier either under this Agreement, any attachment hereto or any other bilateral agreement between the parties hereto. In those situations wherein Carrier charges back items initially paid by Carrier to Contractor at the time of settlement with Contractor, Carrier will depict such deductions independently from one another on Contractor's settlement statement and will describe (if same is not otherwise described in this Agreement or its Appendices) the manner in which the deduction was computed and will supply copies of any documentation underlying such item to Contractor at the time of settlement, or, if inadvertently omitted at such time, upon request Contractor. The parties agree that this provision complies with the requirements of 49 C.F.R. 376.12 (h).

e. As to all activities exempt from the provisions of 49 C.F.R. 376.12 (f), Carrier shall have a period of sixty (60) days after termination of this Agreement to verify the account for the Contractor as to monies owed to the Contractor and as to deductions before making final settlement with the Contractor. As to all activities not exempt from the provisions of 49 C.F.R. 376.12 (f), Carrier shall have a period of fifteen (15) days after termination of this Agreement to verify the account for the Contractor as to monies owed to the Contractor and as to deductions before making final settlement with the Contractor. **FROM AND AFTER THE DATE CARRIER TENDERS ITS WRITTEN FINAL SETTLEMENT STATEMENT, CONTRACTOR HAS SIX MONTHS FROM THE DATE ON WHICH THE CONTESTED DEDUCTION WAS TAKEN BY CARRIER IN WHICH TO BRING SUIT TO CHALLENGE THE CORRECTNESS THEREOF OR FOR REASONS RELATING TO THE TERMINATION OF PARTIES RELATIONSHIP. FAILURE TO BRING AN ACTION IN SUCH PERIOD SHALL ACT AS A CONCLUSIVE BAR TO SUIT THEREON.** It is the Contractor's sole obligation to remain in touch with Carrier post-termination and to advise Carrier of the appropriate method of distribution of Contractor's remaining funds upon the expiration of these post-termination periods. In the event that Contractor fails to provide Carrier with reasonable means to distribute any unpaid funds post-termination, such funds may be held by Carrier in joint accounts with other monies under Carrier's control for the six month post-termination period at which time, if still unclaimed by Contractor, such funds shall escheat to and become the exclusive property of Carrier.

f. Carrier does not require that Contractor enter into any escrow agreement or that Contractor provide any performance bond in connection with the services to be provided under the Agreement.

IV. CONTRACTOR'S EMPLOYEES

a. Contractor shall furnish at his, or her, own discretion, selection, and expense any labor required incident to the operation of the equipment and the pick-up, loading, unloading, assembling, disassembling, and delivery of shipments in the performance of this Agreement.

b. Contractor shall be solely responsible for the direction and control of all parties acting on their behalf to perform the services to be provided hereunder including the employees, agents and servants of Contractor, if any, performing labor pursuant to Paragraph IV, Subparagraph "a", hereinabove. Contractor shall be solely responsible for their selection, hiring, firing, supervision, assignment and direction, and the setting of wages, hours and working conditions, and the adjustment of their grievances. Contractor shall determine the method, means and manner of the performance of the work of all parties acting on his behalf to perform the services to be provided hereunder.

c. Except as required or otherwise provided by federal statute or regulation, and then only to the extent of said statute or regulation, Carrier shall neither have nor exercise authority or control over Contractor's employees and shall have no authority to supervise or direct Contractor's employees in the performance of their work for Contractor, and shall have no authority or right to select, hire, fire or discipline any of Contractor's employees. Carrier shall have and will exercise the powers with regard to commercial driver hiring, use and retention as provided by federal statute or regulation. Such powers are however expressly limited to Carrier's complete compliance with said statutes and/or regulations.

d. Contractor assumes full and sole responsibility for payment of all wages, benefits and expenses of his, or her, employees, if any, and for all State and Federal income tax withholding, unemployment insurance, and Social Security taxes for all persons employed by Contractor in the performance of services under this

Agreement. Contractor shall be solely responsible for meeting and fulfilling the requirements of all such wage, benefits and expenses regulations now, or hereafter prescribed by legally constituted authority with respect thereto.

e. Carrier shall not be responsible for the wages, benefits or expenses due Contractor's employees, agents or servants, nor for income tax withholding, Social Security, unemployment, or other payroll taxes of the Contractor's employees, agents or servants.

f. Contractor assumes full responsibility for maintaining adequate workers' compensation insurance coverage for Contractor and all of his, or her, employees, agents or servants whom Contractor employs in the performance of this Agreement.

g. Carrier is not authorized, or responsible, to withhold State or Federal income taxes, Social Security taxes, or any other local, state or federal tax on behalf of Contractor or Contractor's employees.

h. Contractor shall indemnify, save and hold harmless Carrier from any and all liability Carrier may incur by Contractor's failure to comply with Paragraph IV, Sub-paragraphs "b", "d", "e", "f", and "g", hereinabove.

i. All pay, benefits and working conditions of Contractor's employees are a matter of agreement solely between contractor and his, or her, employees. Contractor and Contractor's employees shall receive no holiday pay from Carrier and they shall not participate in any welfare plans or other Carrier benefits enjoyed by Carrier's employees.

j. Carrier shall have no obligation or responsibility to Contractor or Contractor's employees, agents or servants for any fine, cost or expense incurred by Contractor or any of his, or her, employees, by reason of Contractor's failure to have proper markings on his, or her, equipment, or by reason of any violation by Contractor or his, or her, employees of any law, rule, ordinance, or regulation of any and all governmental authority, or authorities, in and through whose jurisdiction Contractor or his, or her, employees, may be operating in the performance of this Agreement.

V. OPERATION OF EQUIPMENT

a. Carrier is primarily responsible for conducting its operations in accordance with all applicable federal and state requirements, including those activities performed on its behalf by Contractor and his or her employees pursuant to this Agreement. Contractor and Contractor's employees are likewise individually and jointly responsible for complying with all applicable laws, rules, ordinances and other requirements imposed by Federal, State, County or Municipal government authority relating to, and concerning, the fitness and competency of those persons operating the equipment as well as the ownership, licensing, insuring, maintaining, repairing and preparation of the equipment. Specifically, but not by way of limitation, to the extent such programs are available in the state in which operations contemplated hereunder are to be conducted, Contractor agrees that both he and his employee drivers, if any, shall be placed in Carrier's account in any state available program which reports on commercial drivers motor vehicle license status (such as, California Vehicle Code section 1808.1). Placement of Contractor's employees in such program does not relieve Contractor of his own obligations under said section if any. Contractor further agrees that both he and his employee drivers, if any, shall be placed in Carrier's Drug and Alcohol testing program. Placement of Contractor's employees in such program does not relieve Contractor of his own obligations under said section if any. During Contractor's periods of operation in the United States, he shall comply with each and all of the terms of this Agreement. During Contractor's periods of operation outside of the territorial boundaries of the United States, this Agreement shall not apply. So long as this Agreement shall remain in force, Contractor's movement of the equipment outside of the United States international boundary is conclusive evidence of Carrier's relinquishment of control of said equipment until such time as said equipment reenters the United States.

b. During the period in which this Agreement is in force and Contractor is performing services contemplated hereunder, Contractor shall not operate the equipment in the United States except pursuant to the terms and provisions of this Agreement. Contractor shall indemnify and hold harmless Carrier against any and all liability, including attorney's fees and other legal expenses, imposed, or claimed to be imposed, upon Carrier arising directly, or indirectly, from the failure of Contractor and Contractor's employees, agents, servants or representatives, to comply with the provisions of state or federal law, rule, regulation or of this Agreement.

c. Subject only to the requirements imposed by law, Contractor alone shall direct, in all respects, the manner and means of operation of the equipment used in the performance of this Agreement. Among other things, Contractor shall determine:

1. When to depart in order to comply with the customer's scheduling;
2. The condition and suitability of the equipment, including and trailing equipment;
3. Fitness of the driver and the availability of adequate hours-of-service within which to complete the agreed trip;
4. Selection of routes and safety of road and climatic conditions;
5. Rest, break, fueling, maintenance, repair and lunch stops;
6. Where the vehicle is to be maintained and repaired;
7. Where the vehicle is to be fueled and its operating condition assessed;
8. The manner and means of resolving operating issues while on route;
9. The selection and compensation of employees and other workers necessary to the accomplishment of the assumed trips;
10. The Operator's physical condition including sobriety and physical capacity to perform the duties undertaken.

d. Costs of Operations. Contractor shall bear all of the costs of its provision of services under this Agreement. Carrier only assumes those obligations arising from Contractor's activities as set forth in this Agreement. Contractor, but not by way of limitation, shall bear all of the following expenses: equipment depreciation cost of all required insurances, maintenance and repairs of Equipment, cost of fuel, fuel taxes, empty mileage, permits of all types, toll, ferries, detention and accessorial services, base plates and licenses, and any unused portions of such items. Carrier will not and does not require that it participate in the licensing of the Equipment. If Contractor employs others to perform or assist in the performance of the services that he or she provides hereunder, Contractor is solely and exclusively responsible for all of the costs associated with the use of such employees or other workers.

IV. LOGS, REPORTS AND COMPLIANCE WITH LAWS

a. Carrier and Contractor, and/or his, or her, employees, if any, are responsible for full compliance with all applicable Federal, State and Municipal rules and regulations relating to the operation and maintenance of the vehicular equipment covered by this Agreement, including the preparation and filling of logs, time cards, or other documents, as well as documentation and notification of accidents in a timely manner as required by law and this agreement. Carrier is primarily responsible for assuring such compliance during the periods said equipment is operated in the United States pursuant to this Agreement and will exercise that coextensive responsibility with Contractor by requiring that Contractor provide it with suitable evidence of such compliance and by maintaining such evidence for the periods required by law, regulation or practice.

b. Upon Failure of Contractor to fulfill the requirements imposed by law, rule or regulation, carrier may either reduce Contractor's compensation in any reasonable amount necessary to offset Carrier's losses and expense, if any, arising out of such default, or may terminate this Agreement forthwith, or both.

c. Compliance by Contractor's employees shall be the sole responsibility of Contractor. Contractor recognizes that neither Carrier nor any of Carrier's employees or agents are authorized to supervise Contractor or Contractor's employees or agents and acknowledges its responsibility to exercise such supervision.

d. Contractor shall promptly report to Carrier all accidents, claims, losses, injuries, and citations giving rise to claims of responsibility under California Vehicle Code § 40001 or any similar state statute existing at the location of the accident, or damage of any kind whatsoever which arises while Contractor is performing requested services for Carrier or displaying Carrier's name or other identification. Contractor will provide to Carrier such reports as may be reasonably necessary to communicate the facts surrounding such circumstances and shall otherwise cooperate with Carrier and his insurers in the handling and resolution of any claims or inquiries arising therefrom.

e. Contractor shall indemnify and hold harmless Carrier against any and all liability, including attorney's fees and other legal expenses, imposed, or claimed to be imposed, upon Carrier, arising directly, or indirectly, from the failure of Contractor and Contractor's employees, agents, servants or representatives, to comply with the provisions of state or federal law, rule, regulation or of this Agreement.

VII. INSURANCE LIABILITIES OF THE PARTIES

a. Contractor agrees to obtain and maintain public liability and property damage insurance coverage with respect to its operations hereunder in the limits of One Million (\$1,000,000.00) Dollars for any person, One Million (\$1,000,000.00) Dollars for any accident, and One Million (\$1,000,000.00) Dollars property damage in any accident as concerns all equipment when used in the performance of services 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. Carrier does not require that Contractor provide evidence of bobtail insurance but does require that Contractor indemnify Carrier for losses incurred during such bobtail operations.

b. If Contractor elects not to independently obtain such insurance or arrange for Carrier to be named as an additional insured on such policy as called for a Paragraph VII, Sub-paragraph "a", Carrier may obtain such coverage on Contractor's behalf and deduct the total cost thereof, the costs of which will be set forth on each settlement statement provided at the time the deduction is taken.

c. Contractor shall assume all risk of loss to said equipment by fire, theft, collision, or otherwise, and Carrier shall not be liable for the loss of, or damage to, said equipment however caused during the term of this Agreement. Contractor agrees to obtain and to maintain a policy of property damage insurance in the amount of not less than \$25,000 insuring any unidentified trailing vehicle against loss or damage while attached to Contractor's equipment. Such policy shall contain a maximum deductible or other form of retention of \$1,000.00.

d. Pursuant to the rules and regulations of the Secretary of Transportation issued pursuant to 49 U.S.C. 31139 and/or 49 U.S.C. 13906, Carrier will maintain, at its own expense, for the protection for the public, a policy of public damage liability insurance covering both bodily injury and property damage liability in amounts and so endorsed as to comply with said statutes and regulations. Said policy or policies will indemnify against loss all third parties injured or damaged as a consequence of Contractor's activities hereunder. While Carrier is required to maintain this coverage as to third parties, Contractor's policy, as a matter of contractual and equitable indemnity, shall be primary as between the parties. Such status shall, in no manner, reduce Carrier's statutory obligations to third parties but shall equitably apportion the risks of loss for such matters between Carrier and Contractor.

e. Pursuant to such apportionment of risks of loss, Contractor shall indemnify and be liable to Carrier for each accident for any loss or damage to third person, or property, or to Carrier's equipment which results from the conduct of Contractor and his, or her agents or employees. Contractor shall be liable for the entire loss or damage to third persons or properties resulting from his or her conduct or that of his or her agents or employees. This shall include, but is not limited to, colliding with third parties, structures, vehicles, loss of or damage to cargo due to the negligence of or the improper or negligent securing by Contractor, his or her agents or employees.

f. Carrier is directed by regulation to provide Contractor with a written explanation and itemization of any deductions for liability, cargo or property damage made from any compensation payable to Contractor pursuant to this Agreement. The general written explanation and itemization for this class of policy is explained in Appendix B hereto and each singular deduction thereof will be provided to Contractor on each week's settlement summary. Furthermore, this Agreement provides several circumstances in which Contractor will indemnify Carrier for operational and related cost. Each of these circumstances are conditions which are subject to offset against compensation due Contractor. Such circumstances include but may not be limited to: costs of insurance coverages and the deductibles therefore; costs of equipment usage, repair or loss; costs of damage to or loss of property of third parties; costs of damage to or loss of cargo; fines, citations or similar liabilities incurred in performing the services hereunder. There will be no charge for overweight fines or citations on loads received sealed by Contractor unless Contractor is instructed to weigh the load prior to delivery and fails to do so.

g. If Contractor purchases any insurance coverage for the operation of the leased equipment from, or through Carrier, Carrier is obligated by regulation to make available a copy of each policy and certificate of insurance for each policy upon the request of the Contractor. Carrier will comply with all such requests made in writing and delivered to an officer of Carrier. Such regulations further require that each such document shall include the name of the insurer, the policy number, the effective dates of the policy, the amount and type of coverage, the cost to the Contractor for each type of coverage and the deductible amount for each type of coverage for which the Contractor may be liable. The written explanation and itemization for this class of policy is appended hereto as Appendix B and made a part hereof by this reference. For the purposes of such regulations, a "certificate of insurance" is Appendix E. Once this agreement is in force and Contractor is covered by its terms, he will be provided with a Certificate of Insurance, Cab Card or other form of insurance verification provided by Carrier's insurance company and/or insurance broker. Initial deductions for all classes of insurance will be specified on the Disclosure Statement, attached hereto as Appendix B. Contractor may confirm the amount of deductions on a weekly basis by referring to the Settlement Statement which will be provided to him together with his compensation for services performed in the prior time period.

h. Contractor agrees to indemnify Carrier against loss of, pilferage of, spoilage of, or any other damage of cargo which may result from the actions of Contractor, or his, or her, agent or employee, and agrees that if any such losses are incurred, they may be deducted from the compensation due Contractor. Contractor agrees to participate in Carrier's cargo insurance.

i. Contractor agrees that Carrier may deduct from payments due Contractor all costs for insurance under which Contractor may obtain benefit through Carrier's fleet or group policies. Attachment B hereto sets forth each such class of insurance, the name of the insurer, the policy number, the effective dates of the policy, the

amount and type of coverage, the cost to the contractor for each type of coverage and the deductible amount for each type of coverage for which the Contractor may be liable. Contractor herewith agrees that he has read and understands and that Appendix B and any amendments to same constitute compliance with 49 C.F.R. 376.12 (j).

j. Termination of this Agreement by either party automatically cancels all insurance provided under the terms of this Agreement to the Contractor without further notice to either party.

VIII. OBLIGATIONS TO PERFORM SERVICE

a. Contractor shall have the right, at his, or her, discretion, to decline to transport any shipment tendered to him, or her, by Carrier.

b. Because of the liability of Carrier to shippers, pursuant to certain provisions of the federal and/or state law, rule or regulation governing motor Carriers, if, in the opinion of Carrier, Contractor violates this Agreement in such manner as to fail to complete transportation of commodities in transit, abandons a shipment, or otherwise subjects Carrier to potential liabilities, Contractor expressly agrees that Carrier shall have the right to temporarily take physical possession of the equipment described in Appendix A and complete the trip involved.

1. Contractor hereby waives any recourse against Carrier for such action and agrees to reimburse Carrier for any costs and expenses arising out of completion of such trip, and to pay Carrier any damages for which Carrier may be liable to shipper arising out of such violation of contract by Contractor.

2. Upon completion of such trip, said equipment shall be returned to the possession of Contractor at any one of Carrier's terminals.

c. Conduct by Contractor that causes Carrier to violate its obligations under the federal and/or state law, rule or regulation governing motor Carriers shall be cause for termination of this Agreement.

d. Duty to Inspect Equipment. Contractor is familiar with the conditions imposed upon the interchange of equipment between Carrier, interchanging Carriers and equipment providers. Contractor recognizes that he is liable to Carrier for the proper performance of such interchange conditions. In that regard, Contractor is specifically aware that his personnel must inspect the physical condition (both interior and exterior) of any equipment interchanged on behalf, or at the direction of, Carrier; that he or his employee or agent driving the Equipment must demand the opportunity to inspect and record the equipment's condition at the time of interchange and obtain a true and complete copy of the resulting document at the time of executing same on behalf of Carrier.

Contractor shall inspect each trailer coming into his possession prior to accepting same on behalf of Carrier and shall take written exception on the interchanging document of any defect, damage or mechanical problem which appears as a result of that inspection. Moreover, in all cases exhibiting defects, damage or mechanical problems, before executing any interchange or accepting return of any unit from a shipper or consignee, Contractor's agency authority shall not permit it to interchange such equipment until Contractor has advised Carrier's duty dispatcher of the facts and circumstances surrounding such defective equipment and has received express authorization to interchange the equipment.

Unless such authorization is received prior to interchange, any loss sustained by Carrier will be the sole and exclusive responsibility of the Contractor. A true copy of an interchange document demonstrating damage or defects to such equipment at the time of return by Contractor, shall be prima facie evidence of Contractor's responsibility to Carrier for indemnification of the repair costs as assessed by the entity controlling the equipment interchanged. Contractor authorizes Carrier to advance such payments on his behalf to the invoicing party and to deduct from Contractor's settlements any sums advanced until the whole invoiced cost is recovered. Contractor agrees to pay Carrier, upon demand, for any expenses that remain unsatisfied by way of settlement offset. If litigation is necessary to enforce the provisions hereof, the prevailing party shall be entitled to his reasonable attorney fees and costs of suit.

Contractor is likewise to assure that the equipment being interchanged for transportation on public roads and highways is in proper condition for such transportation. In that regard, it is Contractor's non-delegable duty to perform a standard driver roadability inspection of each piece of equipment interchanged on Carrier's behalf before accepting or otherwise transporting same on public streets or highways.

e. Duty to Obtain Customer Approvals. Contractor is obligated to obtain customer signatures upon delivery receipts and or bills of lading for equipment and/or freight delivered to shippers and receivers. For empty trailers delivered for loading, Contractor shall note on the delivery receipt any exceptions that the shipper takes to the equipment type or condition. On loads being delivered, Contractor will compare the trailer/container seal number with the seal identified on the equipment providers interchange receipt and will refuse any unit where there is a seal difference or where the seal shows evidence of tampering. Contractor will fully inspect the physical condition of equipment before each interchange and make notations on interchange documents reflecting any damage or irregularities with the equipment being interchanged. Contractor will provide copies of such documents to Carrier upon completion of the movement.

On delivery of a loaded and sealed unit, Contractor will obtain a signature from the receiver's representative or interchanging carrier noting that the seal is intact. If Contractor is requested to break the seal, he will first obtain the receiver or interchanging carrier's signature.

Contractor will also obtain the shipper or receiver's signature verifying the accessorial services, which have been performed, and noting the amount of time spent performing such functions. If customer refuses to sign any such receipt, Contractor shall note such refusal upon the face thereof and immediately notify dispatch operations prior to departure from the facility.

Contractor will be subject to forfeiture of compensation in the event he fails to obtain the approvals aforesaid. Contractor indemnifies Carrier for any loss arising from breach of the foregoing including uncollectible transportation billings by Carrier that may be rejected due to Contractor's breach.

f. Shipper's Load & Count. If asked to endorse a bill of lading regarding a load being tendered by customer, Contractor will note "Shippers Load and Count" on such document before signing same as Carrier's agent. If Contractor has been authorized by Carrier to verify piece count, Contractor will only do so if an accurate count is possible and will specify exactly what the verified count applies to, e.g., pallets, boxes, or the like. Contractor indemnifies Carrier for any loss arising from breach of the foregoing including uncollectible transportation billings by Carrier which may be rejected due to Contractor's breach for any loss arising from breach of the foregoing in the event a claim is presented for shortage or damage to any load wherein Contractor failed to comply with this section.

g. Equipment Interchange Charges. Contractor is aware that equipment providers impose charges on the use or misuse of their equipment. It is Contractor's obligation to determine when such charges will be imposed on the equipment that he has agreed to pick-up or deliver. To the extent that Contractor's acts or failures to act cause use charges to be incurred or increased, Contractor indemnifies and agrees to hold Carrier harmless for same.

h. Vehicular Fines & Citations. Contractor acknowledges that he is responsible for his agents and employees' compliance with all applicable laws and regulations including California vehicle laws. In the event Contractor's agent or employee receives citations in connection with contracted activities on behalf of Carrier, such are the sole obligation of Contractor unless they arise from the transportation of excess axle weight in vehicles loaded, supervised, and/or sealed by persons other than Contractor, his employees or agents. Contractor acknowledges his obligation to comply with the Intermodal Safe Container Transportation Act of 1992 and Carrier likewise acknowledges his obligation to provide Contractor with the information required by that statute. Contractor is obligated to obtain sufficient information prior to

moving shipments on public roads and highways to assure that such movements will not violate state and federal gross weight, height and/or length laws. Carrier accepts responsibility for weight violations relating to sealed trailers as to which Contractor had no involvement in loading or otherwise outside of the Contractor's control. If Contractor is instructed to weigh the trailer, fails to do so and thereafter is cited for weight violations, Contractor will be responsible for the costs of the citation. To the extent that Contractor fails to do so, he will indemnify and hold Carrier harmless for his resulting costs, expenses and losses.

If fines chargeable to Contractor pursuant to this Agreement are issued in Carrier's name and thereafter paid Carrier, the same shall be reimbursed to Carrier by Contractor according to offset against settlements in such amounts and at such frequencies as the parties may agree or lacking that agreement, at Carrier's sole discretion. In that regard Contractor authorizes Carrier to advance same and to deduct from Contractor's settlements any sums advanced through such settlement period. Contractor agrees to pay, upon demand, Carrier for any fines that remain unsatisfied by way of settlement offset.

i. **Failed Performance.** In the event that Contractor fails to complete a trip, abandons shipment or otherwise subjects Carrier to liability, directly or indirectly, related to Contractor's failure to perform or to perform as agreed, Contractor shall receive no compensation for the services performed on that activity and Carrier shall have the right to complete performance in any manner or method which it sees fit, using substituted equipment or services. Contractor shall, at Carrier's discretion be liable to Carrier for any and all costs, losses or damages that Carrier may reasonably incur in completing Contractor's trip.

IX. RESPONSIBILITY FOR EXPENSES

a. Contractor will pay all costs of his personnel and Equipment operations including but not limited to wages, benefits, training, capital investment, costs of administration, office and garaging space, taxes, equipment repair, maintenance, unloaded mileage, permits, tolls, licensing, empty mileage, fuel, fuel taxes and insurance. Apart from paying Contractor an agreed sum on a trip basis, Carrier shall have no liability for any such operating or administrative costs.

Carrier will report Contractor's earnings to tax collection authorities under from 1099-Misc. Contractor will separately prepare and file all federal, state and local tax forms associated with his operations hereunder, including Federal Highway Use Tax and employee income tax withholding and will pay, when due, all taxes and contributions reported in such forms and will indemnify Carrier for any costs, expenses or liabilities experienced by Carrier arising from Contractor's failure to do so.

b. Carrier will provide freight together with shipping documents, equipment placards, delivery receipts, seals and such other supplies and services as the parties may otherwise agree. Carrier and Contractor may jointly agree upon the exchange of further services. Such agreements, if any, are exhibited hereto and incorporated herein by this reference. Except where Contractor is responsible by his action or inaction for storage, detention or damage to or loss of trailing equipment, for which he shall be responsible, Carrier shall assume such responsibilities.

c. Contractor agrees that upon termination of this Agreement, Contractor will remove and return Carrier's Placards (or provide a written certification to the effect that the Placards have been lost or stolen); return to Carrier all personal property belonging to or received from Carrier and the remaining logs and require documents set forth herein. It is Contractor's obligation to assure that Carrier's property is returned upon termination. Carrier is entitled to withhold payment of Contractor's final earnings and other compensation until such time as Contractor has complied with his obligations hereunder. Once Contractor has complied with such obligations as limited by the provisions of 49 C.F.R. 376.12(f) for activities falling within the scope of such administrative regulation, he or she shall be paid the compensation remaining in his or her account.

X. TERM OF AGREEMENT

The term of this Agreement shall be for one hundred and nineteen days from the date hereof and thereafter continuously unless cancelled by either party. This Agreement shall be deemed suspended during any period in which the equipment is operated beyond the international boundaries of the United States of America. This Agreement qualifies Contractor to perform services for Carrier until terminated or suspended.

XI. TERMINATION OF AGREEMENT

This Agreement shall remain in effect until terminated in accordance with one or more of the following provisions:

- a. At any time by mutual consent of the parties hereto; or
- b. By either party upon 24-hour written notice.
- c. By Carrier Without prior notice upon Contractor's breach of this Agreement or legal or functional inability to perform his duties hereunder.

Upon termination, those provisions that, by their design and intent survive termination shall remain in full force and effect.

XII. DURATION AND CONDITIONS OF TERMINATION

This Agreement shall commence on the date it is executed by both parties and shall continue for thirty days, and is renewable by mutual consent unless or until it is terminated as provided herein. Upon termination of this Agreement, the following conditions shall apply:

- a. In so long as Contractor remains legally able to perform his obligations hereunder, Contractor shall complete delivery of any shipment that he may at the time be engaged in hauling;
- b. Pending any final settlement, Carrier is authorized to withhold such monies as necessary to indemnify itself against Contractor's liability to Carrier set forth in the Agreement.
- c. Contractor shall provide logs through date of termination together with all property belonging to Carrier, including company identification placards and other personal property provided by Carrier.

XIII. ATTORNEY'S FEES AND ARBITRATION

In the event Carrier shall be required to institute or defend any action at law, or equity, against, or by, Contractor and arising out of this Agreement, Contractor agrees to pay such amounts as the court shall determine and pay reasonable attorneys' fees for Carrier in commencing or defending any action or suit. The parties agree that any such matters shall not be brought in a court but shall be arbitrated before the American Arbitration Association under their rules of commercial arbitration then existing.

XIV. NON-WAIVER

The failure of Carrier to enforce at any time any of the provisions of this Agreement, or to exercise any option herein provided, or to require at any time, performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this

Agreement, or any part thereof, or the right of the Carrier to thereafter enforce each and every such provisions. Notwithstanding the fact that Carrier does not require/or Contractor fails to maintain certain classes or types of insurance, such act is not to be construed as a waiver of the right to obtain indemnification for acts of Contractor or his employees or Equipment which cause loss to Carrier or others. Contractor accordingly indemnifies Carrier for any and all losses including attorneys' fees and costs incurred in defending, settling or otherwise handling claims predicated upon acts of Contractor alleging either intentional or negligent conduct on Contractor's behalf or imposing statutory liability without fault.

XV. NON EXCLUSIVITY

Nothing in this Agreement shall prevent or preclude Carrier from entering into similar contracts with others for the same or similar service or work, or to prevent or preclude Contractor or Carrier from performing other contracts for the same or similar work on behalf of others. If, during the term of this Agreement, Contractor should choose to perform trucking services for other parties independent of Carrier, Contractor shall notify Carrier of its intent to do so; obscure Carrier's placards and other identifying characteristics; and shall hold harmless and indemnify Carrier for any expenses, claims, damages or injuries resulting from such operations which Carrier may suffer.

XVI. WHOLE AGREEMENT

This Agreement constitutes the entire Agreement and understanding between the parties and shall not be modified, altered, change or amended in any respect unless in writing and signed by both parties. The Appendices to this Agreement are a part of the Agreement and the provisions thereof are incorporated within the Agreement as though set forth verbatim.

XVII. ASSIGNMENT OF AGREEMENT

Neither party shall assign or otherwise transfer this Agreement or any interest therein, without the prior written consent of the other party. This does not preclude Carrier from utilizing Contractor's equipment in connection with "trip lease" or interline operations engaged in with another certified Carrier. This Agreement shall be binding on the heirs, successors and assignees of the parties hereto.

XIII. TIME IS OF THE ESSENCE

Time is of the essence in this Agreement, both as to the terms and services to be rendered hereunder.

XIX. LAW GOVERNING

This Agreement shall be governed by the laws of the United States of America and of the State of California as to interpretation and performance.

XX. SAVINGS CLAUSE

This Agreement has been drafted to comply with the provisions of federal law governing interstate transportation of freight and specifically to meet the operative provisions of 49 Code of Federal Regulations 376.12 commonly known as the Truth-In-Leasing regulations. It is anticipated that a substantial portion of the activities conducted pursuant to the terms of this Agreement will be conducted in such a manner as to be exempt from such provisions while a portion may not be so exempted. Accordingly, with respect to exempted activities, it is the parties expressed intention that a court or other entity interpreting this Agreement shall exclude, to the extent practicable without impairing the enforceability of the Agreement, any references to part 376.12 or language imposed thereby. It is further the intent of the parties that the inclusion of such language shall not be construed to waive any rights the parties may hereafter assert that activities conducted hereunder are exempted from the provisions of part 376.12.

XXI. DUE DILIGENCE AND COUNTERPARTS

Contractor acknowledges that he was offered the opportunity to review an unexecuted blank version of this Agreement and Attachments; to take same with him; and to obtain such counsel and advise as he or she felt necessary in order to fully understand the terms hereof and the obligations imposed on each party.

CONTRACTOR HAS SATISFIED HIMSELF THAT HE UNDERSTANDS AND IS ABLE TO PERFORM HIS OR HER OBLIGATIONS HEREUNDER. CONTRACTOR ACKNOWLEDGES RECEIPT OF TWO COMPLETE, SIGNED COPIES OF THIS AGREEMENT AND ALL OF ITS ATTACHMENTS.

Carrier has instructed Contractor and Contractor has agreed, that Contractor will place a copy of this agreement on or in the Equipment in satisfaction of the requirements of 49 C.F.R 376.12 (1).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, including Appendices and Attachments, on this 11/18/08 day of NOVEMBER, 2008, and the same shall be considered binding upon both parties and shall remain in full force and effect until cancelled according to the terms of this Agreement.


Contractor's Signature

Date

11-18-2008


Carrier's Signature

Date

11/18/08

**APPENDIX A
EQUIPMENT IDENTIFICATION AND RECEIPT**

This Appendix is an essential part of the Lease and Transportation Agreement between Carrier and Contractor. In consideration of Carrier's execution of said Agreement, Contractor makes the following representations and warranties on which Carrier will rely. Contractor represents and warrants that it is the registered and/or legal owner of the road tractor hereinafter mentioned and in lawful possession of same. The Equipment is described as follows:

Color: WHITE Make: JOHN DEERE Model: 10064T Year: 2009 VIN: 4N64NC9EH79N278318
 License: 9E22411 State: CA Tare Weight: 8000 Fueled Gross Weight: 12000
 Axles: 3 Wheelbase: 140 Stated Value: \$107,732.00 Tire Size: 24.5
 Fifth Wheel Height: 48 Slider: ☒ (Yes) ☐ (No) Fuel Tank (s) Capacity: 200 gallons
 Sleeper: ☒ (Yes) ☐ (No) Conventional ☒ Cabover ☐ Twin Screw: ☒ (Yes) ☐ (No)
 Registered Owner: GEN. ELECTRIC CAPITAL CORP
 Legal Owner: GEN. ELECTRIC CAPITAL CORP
 Loss Payee: GEN. ELECTRIC CAPITAL CORP
 Date of License Expires: _____ Garaged Location (BIT): CARLSON, CA
 CA Number: 318499 MCP Number: _____
 FEI (federal tax reporting number): _____

* "Stated Value" will be used as value for physical damage insurance, if Contractor elects to acquire such coverage through Carrier's insurers.

Contractor represents and warrants that the above vehicle meets the requirements set forth in federal and state law and regulation including 49 C.F.R. 393 and Chapter 2, Title 13 California Code of Regulations and acknowledges its responsibility to maintain a program of inspection, repair and maintenance as set forth in 49 C.F.R. 396 and Chapter 2, Title 13 California Code of Regulations. Contractor further represents and warrants that, if it is domiciled in the State of California, it has made the appropriate filing with the California Highway Patrol pursuant to the Biennial Inspection of Terminals Program (CVC § 34501.12); maintains the inspection and maintenance records as required by CVC § 34505.5 and, prior to performing services hereunder will comply with CVC § 27900 which requires the placement of the identification of Contractor on the Equipment provided hereunder. Contractor further represents and warrants that, if it is domiciled in the State of California, it has made the appropriate filing in accordance with California Vehicle Code 34620, et seq. Contractor agrees to provide documentary evidence of its performance of such responsibilities to Carrier upon reasonable prior notice.

In making the above representations and warranties, Contractor understands and agrees that each such representation and/or warranty is an independent material consideration for Carrier's execution of the Transportation and Lease Agreement and that, should any of such representations prove to be materially false and/or any of such warranties be breached and result in damage of any kind or type to Carrier, Carrier may, at its option, terminate the Transportation and Lease Agreement forthwith and hold Contractor legally responsible for said damages either by means of set-off against settlements or through legal action.

Based upon said representations and warranties and Contractor's agreements as reflected in this Appendix and in the Transportation and Lease Agreement of which this Appendix is a part, Carrier, pursuant to 49 C.F.R. 376.12, hereby leases and acknowledges receipt of the above described equipment.

It is expressly understood and agreed that, to the extent that this Transportation and Lease Agreement contains language or references required by law, rule or regulation, such language applies only to operations and activities conducted within the United States and outside of Commercial Zones as established by the Secretary of Transportation or other authority.

RECEIPT BY CARRIER

Contractor: _____ DATED: 11-18-08 TIME (Military): _____
 Relinquishment of Equipment Acknowledged

Carrier: _____ DATED: 11/18/08 TIME (Military): _____
 Receipt of Equipment Acknowledged

RECEIPT BY CONTRACTOR

Carrier: _____ DATED: 11/18/08 TIME (Military): _____
 Relinquishment of Equipment Acknowledged

Contractor: _____ DATED: 11-18-08 TIME (Military): _____
 Receipt of Equipment Acknowledged

**APPENDIX B
INSURANCE ELECTIONS AND DISCLOSURE ACKNOWLEDGEMENT**

This Disclosure Acknowledgment is issued in connection with a Lease and Transportation Agreement (the "Agreement") between Pacific 9 Transportation, Inc. a California corporation ("Carrier"), and the Contractor specified herein. It supplements and incorporates by reference the Agreement. Carrier makes various categories of commercial insurance that it maintains available to its Contractors. Contractors are free to accept or reject such available insurance coverages and evidence their acceptance of same through the elections set forth hereon. In that connection, Contractor makes the following elections by placing his or her initials in the block immediately preceding the coverage selected:

~~MA~~ ~~Commercial Auto Liability~~ Contractor agrees to acquire Public Liability and Property Damage insurance for its operations by being added into the risk pool operated by Carrier. Contractor agrees to pay the costs arising from his inclusion in said risk pool by settlement deduction on a weekly basis in the manner set forth in this Appendix. Contractor agrees to be bound by the terms and conditions of the insurance policies providing this coverage.

~~MA~~ ~~Cargo~~ Contractor agrees to acquire Cargo insurance for its operations by being added into the risk pool operated by Carrier. Contractor agrees to pay the costs arising from his inclusion in said risk pool by settlement deduction on a weekly basis in the manner set forth in this Appendix. Contractor agrees to be bound by the terms and conditions of the insurance policies providing this coverage.

~~MA~~ ~~Unidentified Trailer~~ Contractor agrees to acquire Unidentified Trailer insurance for its operations by being added into the risk pool operated by Carrier. Contractor agrees to pay the costs arising from his inclusion in said risk pool by settlement deduction on a weekly basis in the manner set forth in this Appendix. Contractor agrees to be bound by the terms and conditions of the insurance policies providing this coverage.

~~MA~~ ~~Physical Damage to Contractor Equipment~~ Contractor agrees to acquire Physical Damage insurance for its Equipment by being added into the risk pool operated by Carrier. Contractor sets its Equipment value at the rate which appears on Appendix A and agrees to pay the costs arising from his inclusion in said risk pool by settlement deduction on a weekly basis in the manner set forth in this Appendix. Contractor agrees to be bound by the terms and conditions of the insurance policies providing this coverage.

This Disclosure Acknowledgment describes the coverages available to Contractor as of the date of the execution of the Lease and Transportation Agreement ("Agreement") to which this Appendix is attached and summarizes Carrier's view as to the material facts relating same. It is intended to comply with the requirements of 49 C.F.R. 376.12 (j) and the intent of the Interstate Commerce Commission as expressed in Lease and Interchange of Vehicles, 131 MCC 141 and 132 MCC 916. The original policies of insurance have been issued solely in Carrier's name and are available for Contractor's examination, upon written prior request, at Carrier's general office. By electing to have the legal liability risks of his activities pursuant to the Agreement come within the coverage of such policies, Contractor does not become an additional insured on Carrier's policy but does become a covered risk on each policy selected. Carrier will amend its Disclosure, from time to time, as circumstances dictate, in order to reflect changes in insurance carriers and terms. Contractor may obtain copies of subsequent disclosures upon written prior request, at Carrier's general office. Contractor may wish to obtain his own professional advice in order to determine whether the insurance available through Carrier meets its needs beyond merely qualifying to do business with Carrier. Carrier's sole representation is that the insurance policies, as structured, meet Carrier's contractual requirements.

Now Therefore, Carrier discloses and Contractor acknowledges that his or her operations pursuant to the Lease and Transportation Agreement between the parties will become covered risks on the policies of insurance as hereinbefore selected and that by this Disclosure, Contractor has received evidence of the beginning and expiry dates; levels of insurance and coverages; and charges associated therewith for each of said policies as elected by Contractor. This Disclosure Acknowledgment is not intended to exhaustively describe the insurance or any limitations on coverages provided. The policies have been solely chosen to meet Carrier's purposes, which may not be consistent with those of Contractor. Contractor is urged to review the policies that are available as herein described and to seek professional guidance so as to determine for itself the adequacy of the insurance coverage selected through Carrier for its individual purposes.

Frequently, insurers charge premium based upon gross revenues formulas. In such instances, Carrier is required to estimate its gross revenues and rely upon such estimates in setting Contractor's insurance deductions for future policy periods. Hence, the amount collected may be less or more than the amount eventually charged by the insurer, subject to physical audit of Carrier's operations by the various insurers. Carrier reserves the right to recover any premiums in excess of those collected from Contractor in the event insurer's audit requires same. Carrier will not reimburse any monies collected from Contractor that exceed the actual amounts charged to Carrier in connection with Contractor's activities. Such sums, if any, will be retained by Carrier in consideration of its management of the insurance program.

The amount collected from Contractors may be less or more than the amount eventually charged by the insurer. Carrier reserves the right to recover any premiums in excess of those collected in the event insurer's audit requires same and reserves the right to retain any amounts exceeding the premium actually paid to its insurer(s). A copy of each policy is available for examination in Carrier's business offices during customary business hours and by prior appointment.

Receipt Acknowledged

CONTRACTOR

DATED

11-18-2008

**APPENDIX C
INCIDENTAL CHARGES DISCLOSURE ACKNOWLEDGMENT**

This Disclosure Acknowledgment is issued in connection with a Transportation Agreement (the "Agreement") between Pacific 9 Transportation, Inc. a California corporation ("Carrier"), and the Contractor specified herein. It supplements and incorporates by reference the Agreement. Carrier makes various categories of services and supplies available to its Contractors. Contractors are free to accept or reject such available services and supplies and may obtain equivalent equipment and/or supplies from third parties.

This Disclosure Acknowledgment describes the coverages available to Contractor as of the date of the execution of the Lease and Transportation Agreement ("Agreement") to which this Appendix is attached and summarizes Carrier's view as to the material facts relating to same. It is intended to comply with the requirements of 49 C.F.R. 376.12 (i) as respects charges for services and supplies. The original invoices in connection with charges arising from services or supplies provided by third parties have been issued solely in Carrier's name and are available for Contractor's examination, upon written prior request, at Carrier's general office. Carrier will amend this Disclosure, from time to time, as circumstances dictate, in order to reflect changes in services and supplies provided and terms on which such services and supplies are provided. Contractor may obtain copies of subsequent disclosures upon written prior request, at Carrier's general office.

Now Therefore, Carrier discloses and Contractor acknowledges that his operations pursuant to the Lease and Transportation Agreement between the parties may include the purchase of certain services and supplies from or through Carrier. In placing prices on such services and supplies, Carrier has been required to estimate its costs and expenses of providing the services and supplies and, hence, the amount collected may be less or more than the amount eventually charged by the actual providers. Carrier may charge an administrative cost above its actual incurred cost for such services, which may change from time to time without prior notice. Carrier will not reimburse any monies collected from Contractor that exceed the actual amounts charged to Carrier in connection with Contractor's activities. Such sums, if any, will be retained by Carrier in consideration of its management of the programs represented by the products and/or services. Contractor is encouraged to compare the cost of services and supplies purchased through Carrier and is free to obtain such services and supplies from others as Contractor solely chooses. Contractor will in no way be required to participate in this or any other program offered by carrier.

Communications Programs Carrier requires that Contractor have communications facilities between the parties during the periods of time in which services are provided. Contractor must have facilities that are compatible with those being used by Contractor. Those facilities will be specified at the time the Lease and Transportation Agreement is offered for execution. Contractor may elect to obtain communications equipment through Carrier, but is not required to do so. If Contractor elects to obtain communications equipment through Carrier, the following disclosures detail the rates and charges for such equipment.

Documentary evidence of the basis for each such charge is available for examination in Carrier's business offices during customary business hours and by prior appointment. Contractor's failure to request review of such documentation may be construed as Contractor's waiver of any objection to the propriety and/or accuracy of such deduction. Contractor is required to return the equipment on the termination of the Agreement or upon Carrier's demand. Contractor will be responsible for the repair of any damage to or loss of any equipment up to the amount of the Casualty Value set forth herein. Each applicable charge will be deducted from Contractor's weekly settlements.

Receipt Acknowledged

For Contractor

Unit Number

Dated

11-18-08

Witnessed By:

Name

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.

Address

[Handwritten Initials]

**APPENDIX D
RATE SCHEDULE**

Pacific 9 Transportation, Inc., a California corporation (herein, "Carrier"), and the motor carrier (herein, "Contractor") specified herein agree that the schedule of rates and other compensation referred to herein (the "Schedule") constitutes the compensation due under Section III of the Lease and Transportation Agreement between the parties.

The Schedule may be unilaterally amended by Carrier upon twenty-four (24) hours notice. The parties agree that the "effective date" appearing on the rate schedule will constitute the date upon which the revised rates and compensation become effective. Contractor may refuse any offered service or rate. Contractor's acceptance of the service acknowledges and accepts the Schedule rate and terms unless the parties at that time agree otherwise.

The parties agree that the Schedule is confidential and not for distribution to any person not a party to the Agreement. For that reason, no copy of the Schedule will be attached to this Agreement but will be maintained at Carrier's business office available to Contractor upon request. At the time of execution of this Appendix, Contractor acknowledges that he has read and initialed the Schedule initially applicable to the Agreement and consents to its being maintained in Carrier's possession.

The parties may, from time to time, agree upon rates not reflected in the Schedule. The amount of the rate will appear on Contractor's weekly settlement sheets. Contractor's acceptance of the settlement without objection will constitute Contractor's agreement with the rates as they appear on the settlement sheets.

Received/Acknowledged:

For Contractor

Unit Number

Dated

11-18-2008

Witnessed By:

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.
Address

**APPENDIX E
CERTIFICATE OF INSURANCE EXEMPLAR**

The document attached hereto and incorporated herein by this reference is an example of the document that will be provided to Contractor as evidence of his Carrier provided insurance coverages described on Appendix B. As Carrier's insurance carriers frequently change annually and, as each policy may have a different renewal date from the others, Contractor will be provided with both a revised Appendix B and revised Appendix E as coverages change. These revised Appendices will be issued as soon as practicable following the binding of replacement or renewal coverages and which will be retroactive to the date the replacement or renewal coverages are bound. Contractor is required to carry a current Certificate of Insurance and that in the Equipment while operating on public streets and highways and in such other locations as may be, from time to time, required by law, regulation or practice. Contractor agrees that it is his or her sole responsibility to assure that he or she is in possession of a current Certificate of Insurance and that it is maintained in the Equipment. Carrier will maintain a copy of Contractor's current Certificate of Insurance at Carrier's principal place of business and will provide additional copies of same to Contractor upon request. The combined contents of Appendices B and E are intended to comply with 49 C.F.R. 376.12 (j).

Receipt Acknowledged:

For Contractor

Unit Number

Dated

11-18-2008

Witnessed By:

Name

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.
Address

MA

**APPENDIX F
WORKER'S INJURY INDEMNITY**

This is agreement is entered into between Pacific 9 Transportation, Inc., a California corporation (Herein, "Carrier"), and the motor carrier (herein, "Contractor") specified herein to establish their obligations concerning the existence of worker's compensation insurance and benefits. It supplements and incorporates by reference the Lease and Transportation Agreement between the parties (the "Agreement").

Carrier desires that Contractor obtain its own worker's compensation coverage for its employees and administers its own program of worker safety. If Contractor employs workers to perform the services contemplated under the Agreement, Carrier requires evidence that Contractor has obtained worker's compensation insurance covering such employees prior to offering any loads to Contractor pursuant to the terms of the Agreement. Carrier also requires that such evidence include an endorsement on such said policy that names Carrier as an "additional insured" under such policy.

Therefore, Contractor:

() Herewith elects to provide a certificate evidencing worker's compensation insurance for Contractor to Carrier prior to commencement of services under the Agreement, or;

MS ~~MS~~ Hereby represents and certifies that Contractor is an owner/operator as the term is generally understood in the trucking industry and that Contractor will be the sole and exclusive driver of the equipment identified in Exhibit A to the Agreement.

CONTRACTOR UNDERSTANDS AND AGREES THAT HE/SHE IS AN INDEPENDENT CONTRACTOR AS THE SAME IS DEFINED IN CALIFORNIA LABOR CODE § 3353 AND THAT HE/SHE IS NOT, IN ANY MANNER OR FOR ANY PURPOSE, AN EMPLOYEE OF CARRIER. CONTRACTOR UNDERSTANDS AND AGREES THAT CARRIER WILL NOT PROVIDE WORKER'S COMPENSATION BENEFITS FOR CONTRACTOR IN CONNECTION WITH SERVICES RENDERED PURSUANT TO THE AGREEMENT.

Contractor specifically denies that he or she is (or anticipates becoming) Carrier's employee and acknowledges that he or she is not entitled to worker's compensation or any employment benefits in connection with the services to be provided under the Agreement.

Contractor further agrees and understands that should he or she at any time assert or claim to be an employee of Carrier, such a claim shall entitle Carrier to recover from Contractor, his or her heirs, administrators and/or assigns, each, every and all of Carrier's costs incurred as a result of Contractor's breach of its certification and representations herein. Such recovery by Carrier shall include the actually incurred attorney fees of Carrier, its costs as well as statutory penalties, medical and other liens, applicant's attorney fees and costs and indemnity (including retraining benefits) and enhancements thereto provided by law now or in the future.

Receipt Acknowledged:

For Contractor

Unit Number

Dated

11-18-2008

Witnessed By:

Name

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.
Address

**APPENDIX I
EQUIPMENT MAINTENANCE & REPAIR**

This agreement is entered into between Pacific 9 Transportation, Inc., a California corporation (herein, "Carrier"), and ~~APL~~ APL (herein, "Contractor") to establish their obligations pursuant to the Lease and Transportation Agreement ("Agreement") between the parties. It supplements and incorporates by reference the Agreement.

The Agreement requires that Contractor act as Carrier's agent for the purpose of tendering and receiving trailers, chassis and containers belonging to others. Contractor agrees to indemnify and hold Carrier harmless for its failure to properly perform such interchanges of equipment. Contractor is familiar with the conditions imposed upon the interchanges of equipment. Carrier, Interchanging carriers and equipment providers and recognizes that he is liable to Carrier for the proper performance of such interchange conditions. Contractor is specifically aware that his personnel must inspect the physical condition (both interior and exterior) of any equipment interchanged on behalf, or at the direction of, Carrier; that he or his employee or agent driving the Equipment must demand the opportunity to inspect and record the equipment's condition at the time of interchange and obtain a true and complete copy of the resulting document at the time of executing same on behalf of Carrier. In all cases exhibiting defects, damage or mechanical problems, before executing any interchange or accepting return of any unit from a shipper or consignee, Contractor's agency authority shall not permit it to interchange such equipment until Contractor has advised Carrier's duty dispatcher of the facts and circumstances surrounding such defective equipment and has received express authorization to interchange the equipment.

Unless such authorization is received prior to interchange, any loss sustained by Carrier will be the sole and exclusive responsibility of the Contractor. A true copy of an interchange document demonstrating damage or defects to such equipment at the time of return by Contractor, shall be prima facie evidence of Contractor's responsibility to Carrier for indemnification of the maintenance and/or repair costs as assessed by the entity controlling the equipment interchanged. Contractor authorizes Carrier to advance such payments on his behalf to the invoicing party and to deduct from Contractor's settlements any sums advanced until the whole invoiced cost is recovered. Contractor agrees to pay Carrier, upon demand, for any expenses that remain unsatisfied by way of settlement offset. If litigation is necessary to enforce the provisions hereof, the prevailing party shall be entitled to his reasonable attorney fees and costs of suit. In the event of such charges exceed Contractor's revenue during any one settlement period, the charges will be spread over multiple settlement periods in such amounts and at such frequencies as the parties may agree or, lacking that agreement, at Carrier's sole discretion.

Receipt Acknowledged:

For Contractor

Unit Number

Dated

11-18-08

Witnessed By:

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.
Address

**APPENDIX J
FACILITY ACCESS AND PARKING**

This agreement is entered into between Pacific 9 Transportation, Inc., a California corporation (herein, "Carrier"), and the motor carrier (herein, "Contractor") specified herein to establish their obligations concerning the grant of a license and providing access to Carrier's facilities to Contractor in connection with services to be performed pursuant to the Transportation Agreement between the parties dated 11.18.2008 (the "Agreement"). It supplements and incorporates by reference the Agreement.

Carrier maintains a terminal and yard facility in connection with its operations. Carrier is willing to permit Contractor to have access to such facilities for business purposes during the term of the Agreement. Contractor wishes to take advantage of same for reasons of economy and convenience and, in so doing, represents and agrees that he understands and agrees to the following terms and conditions of said license:

THE PARTIES AGREE:

1. Contractor will be given the combination to said terminal facilities lock and agrees to maintain it in secrecy, giving same to NO OTHER party except with Carrier's prior written consent.
2. Contractor will be completely liable to Carrier for its presence on and use of said facility, including the failure to secure the facility upon departing.
3. It is a breach of the Agreement for Contractor to gain access to the facility except in connection with business activities conducted pursuant to the Agreement.
4. The license granted hereby confers no rights and is terminable with or without prior notice to Contractor and without cause.

Any damages or expenses resulting from Contractor's misuse or other breach of the Agreement or this Appendix shall be Contractor's sole responsibility. Contractor hereby agrees to indemnify and hold Carrier harmless for any such damages or expenses. Carrier may recover such damages or expenses through offset against Contractor's settlements. In that regard, Contractor authorizes Carrier to audit and pay said damages or expenses and to deduct Contractor's settlements same. Contractor agrees to pay, upon demand, Carrier for any damages or expenses which remain unsatisfied by way of settlement offset.

Receipt Acknowledged:

For Contractor

Unit Number

Dated

11.18.2008

Witnessed By:

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.

Address

**APPENDIX K
EQUIPMENT INSPECTION (BIT)**

This agreement is entered into between Pacific 9 Transportation, Inc., a California corporation (herein, "Carrier"), and Contractor specified herein to establish their obligations concerning the providing of safety inspections for Contractor's use in connection with the Transportation Agreement between the parties.

To ensure the public safety, Carrier requires that Contractors have quarterly BIT inspections of their vehicles. Carrier maintains a full-time safety director who, among other things, arranges for quarterly BIT inspections. Contractors, for their convenience, may participate in the arranged inspections at a cost of \$_____ per inspection, to be charged back in the Contractor's subsequent settlement sheet. Contractor must provide Pacific 9 Transportation, Inc. with satisfactory evidence that he has completed timely BIT inspections as per Pacific 9 Transportation, Inc. policy should he arrange for such inspections on his own.

Contractor understands and accepts that such inspection is not a certification that the equipment inspected will meet law enforcement standards and does not extend to latent defects which would require disassembly of portion of such equipment. Contractor and Carrier agree that inspections such as this do satisfy the Carrier's responsibility to confirm that Contractor performs regular safety inspections and maintenance as required by the Motor Carrier Safety Act, 49 CFR § 396.3 and CVC § 34501.17, et al.

Receipt Acknowledged:

For Contractor

Unit Number

Dated

11-18-2008

Witnessed By:

21900 S. ALAMEDA ST., LONG BEACH, CA 90810.
Address

INDEPENDENT CONTRACTOR RECORD OF QUALIFICATIONS
MOTOR CARRIER: Pacific 9 Transportation, Inc.

OWNER-OPERATOR INFORMATION

Name: AMADOR ROJAS

DOB: [REDACTED] Social Security Number: [REDACTED]

Home Phone: [REDACTED] Cell Phone: [REDACTED]

Current Address:

Street	City/State	Zip	How long?
[REDACTED]	[REDACTED]	[REDACTED]	6 YEARS

Driver's Licenses used in the past 7 years:

State	License Number	Type/Class & Endorsements	Expiration Date
CA	[REDACTED]	A	[REDACTED]

Driving Experience:

Type of Equipment	Dates	Approx # of Miles
3 AXLE TRACTOR		

Accident Record; Past 3 Years

Date	Nature of Accident	Injuries	Fatalities	Fault
	0			

HOURS OF SERVICE RECORD FOR FIRST TIME OR INTERMITTENT DRIVERS

Instructions:

When using a driver for the first time or intermittently the following information must be obtained.

1. Signed statement giving the total time on duty (driving and on duty) during the immediate proceeding 7 days and the time at which the driver was last relieved from duty prior to beginning work.

Driver Information

Name: _____

Day

	Total Time On Duty
1	
2	
3	
4	
5	
6	
7	

Total

_____ Hours

I hereby certify that the information contained hereon is true to the best of my knowledge and belief, and that my last period of release from duty was from:

10/13/08

CONTRACTOR SIGNATURE: _____

DATED: _____

11-18-08

**PRE-CONTRACT CONTROLLED SUBSTANCES TESTING
NOTIFICATION & CONSENT**

I understand as required by the Federal Motor Carrier Safety Regulations, 49 C.F.R., 382.301 Pre-Contract testing, and Contractors policy, all Owner Operators must submit to a controlled substance test involving collection of urine sample which will be tested for the following controlled substances:

Marijuana
Cocaine
Opiates
Amphetamines
Phencyclidine

I understand if I test positive for use of any of these controlled substances, I will be given a reasonable opportunity to confer with the company's Medical Review Officer before any positive test results is reported to the company

I understand if the Medical Review Officer reports to the company that I have tested positive for use of any of the previously mentioned controlled substances, I will not be offered a contract with this company.

I understand that the motor carrier is required to notify me in advance of testing, of the requirement for testing, under part 382 – Controlled Substances and Alcohol & Use and Testing, and subpart 382.133 Requirement for Notice.

I hereby agree to the terms of this notification, and give my consent to be tested for Controlled Substances.

Print Owner Operators Name:

AMADOR ROJAS

Owner Operator Signature:

[Redacted Signature]

Date:

11-18-08

**Receipt for Alcohol & Controlled Substance
Policy, Procedures & EAP**

I hereby acknowledge receipt of the following information from Pacific 9 Transportation, Inc. For Alcohol Misuse and Controlled Substances Use, Information, Training, and Referral. This information contains the following items:

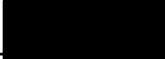
- A. Company / Contractor Policy on Alcohol & Controlled Substance use;
- B. Who is responsible to answer Owner Operator questions about the program;
- C. The categories of drivers / Owner Operators who are subject to the Alcohol & Controlled substance rules and testing;
- D. Definition of a Safety-Sensitive Function;
- E. Prohibited Driver Owner Operator conduct;
- F. Circumstances under which Alcohol and Controlled Substances tests will be performed;
- G. How the alcohol and controlled substance test was performed.
- H. Company requirements for Owner Operators to comply with the Alcohol and Controlled Substances testing;
- I. What will happen if I refuse to be tested for Alcohol and Controlled Substances;
- J. Consequences for Owner Operators who have violated the Alcohol & Controlled Substances Testing regulations;
- K. Consequences of Owner Operators found to have an alcohol concentration of 0.02 or greater.
- L. 1. Information concerning the effects of Alcohol and Controlled Substances use on an individual's health, work, and personal life, signs and symptoms of an alcohol or controlled substances problems;
- 2. What to do if I see another driver under the effects of alcohol or controlled substances.
- 3. Referral to (Owner Operators) Assistance Programs; and
- M. Definitions of the terms used in the policies and procedures.

I hereby certify that I have received and reviewed the aforementioned materials. I understand that the term Driver, Drivers, Pre-Employment, Employment, Employee and Employer, are used in the Alcohol & Controlled Substances Testing Policy, as they are written in Part 382 - Controlled Substances and Alcohol Use testing of the federal Motor Carrier Safety Regulations, that these terms are used only to comply with the Federal Motor Carrier Safety Regulations, and that the use of these terms does not imply that the Owner Operator is an employee of "Pacific 9 Transportation, Inc." I further certify that I agree to these policies and procedures.

Print Owner Operators Name:

AMAZON ROJAY

Owner Operator Signature:



Date:

11-18-08

Owner Operator Authorization for Release
of Post-Accident Alcohol & Controlled
Substances Test Documents

In the event of Post Accident testing for Alcohol or Controlled Substances by a law enforcement agency, I

AMADOR ROJAS

(Print Owner Operator Name)

Hereby authorize the release of said information to

Pacific 9 Transportation, Inc.

By any agency, hospital, clinic, MRO, or other party / organization involved in the testing process.

Owner Operator Signature:

[Redacted Signature]

Date: 11-18-08

Witnessed by:

[Redacted Witness Signature]

Have you ever been denied a license, permit or privilege to operate a motor vehicle?

Yes

No

Has any license, permit or privilege ever been suspended or revoked?

Yes

No

IF THE ANSWER TO EITHER A OR B IS YES, ATTACH STATEMENT GIVING DETAILS

EMPLOYMENT AND OR CONTRACT RECORD (Attach Sheet if More Space Is Needed)

NOTE: DOT Requires that employment and contract records for at least 3 years and/or Commercial Driving Experience for the past 10 years be shown.

LAST EMPLOYER		ADDRESS	
ETCMBOND		700 P. FLOWER, GLENDALE CA.	
PHONE NUMBER	POSITION HELD	FROM TO	REASON FOR LEAVING
818-246-3700	CLERK DATA ENTRY	OCT/1998 - NOV 2001	

PREVIOUS EMPLOYER		ADDRESS	
PHONE NUMBER	POSITION HELD	FROM TO	REASON FOR LEAVING

PREVIOUS EMPLOYER		ADDRESS	
PHONE NUMBER	POSITION HELD	FROM TO	REASON FOR LEAVING

PREVIOUS EMPLOYER		ADDRESS	
PHONE NUMBER	POSITION HELD	FROM TO	REASON FOR LEAVING

TO BE READ AND SIGNED BY OWNER OPERATOR. This certifies that this document was completed by me, and the entries on it and information in it are true and complete to the best of my knowledge. I Understand that this record is being required to comply with the State and Federal Regulations, and does not constitute an employment arrangement between the Motor Carrier and the Owner Operator, and that the undersigned Owner Operator is self employed.

NOTE: A motor carrier may require an owner operator to provide information in addition to the information required by the Federal Motor Carrier Safety Regulations.

Owner Operator Signature:



Date:

11-18-08

TS