

INDEPENDENT CONTRACTOR OPERATING AGREEMENT

INFORMATION ONLY

Service Transport Company (“Carrier”) and **(“Contractor”)**, pursuant to 49 C.F.R. Part 376, enter into this Independent Contractor Operating Agreement, including any appendices and addendums (“Agreement”).

1. Provision of Equipment and Services

Contractor agrees to provide Carrier the use of the equipment described in Appendix A (“Equipment”) and all labor, including driver(s), necessary to operate the Equipment and to perform all of the services contemplated by this Agreement. Contractor represents and warrants that Contractor is the Equipment’s “owner” under 49 C.F.R. § 376.2(d). Upon taking possession of the Equipment, Carrier will furnish to Contractor a receipt as required by 49 C.F.R. § 376.11(b). Contractor is free to substitute a different vehicle for the one constituting the Equipment if each of the specifications applicable to Equipment is met with respect to such different vehicle and Carrier furnishes Contractor with a new receipt covering the vehicle. Carrier does not guarantee any specific number of shipments or amount of revenue or profit to Contractor, or to use the Equipment at any particular time or location. Contractor is free to accept or reject any shipment offered by Carrier. Contractor is free to provide vehicles not identified as Equipment and professional truck driving services to other motor carriers during the term of this Agreement. Contractor is also free to provide the Equipment to other motor carriers during the term of this Agreement in accordance with the requirements of federal law, as described in Section 18 of this Agreement. **Throughout this Agreement, “Contractor’s workers” and “Contractor’s drivers” include Contractor if Contractor elects to personally perform any aspect of this Agreement.**

2. Duration and Termination of Agreement

2.1 Term

This Agreement begins on the Effective Date and ends on the Termination Date indicated just above the signature block after the main text of this Agreement. Either party may terminate this Agreement immediately for any of the grounds set forth in Section 2.2 of this Agreement. In addition, either party may terminate this Agreement at any time for any reason by giving 30 days’ written notice to the other party. The effective date of termination will be the earliest of the following: (i) as stated in the written notice; (ii) as stated on the receipt for the Equipment, if one is issued by Contractor to Carrier; or (iii) when Carrier’s possession of the Equipment under 49 C.F.R. § 376.11(b)(2) ends.

2.2 Grounds for Immediate Termination

If Carrier or any of Contractor’s workers does any of the following, the other party may elect to terminate this Agreement immediately: (i) commits—or attempts, conspires, or threatens to commit—a felony or intentional tort; (ii) violates any applicable federal, state, local, Native American tribal, or foreign law, regulation, or ordinance (“Applicable Law”); or (iii) materially breaches this Agreement.

2.3 Obligations Upon Termination

On the later of: (i) termination of this Agreement; or (ii) completion of the services provided for herein, Contractor agrees to remove all Carrier identification from the Equipment and return it—or provide a letter certifying its removal—to Carrier, together with all of

Carrier’s property (in good working condition), Trailing Equipment (as defined in Section 13 of this Agreement), permits, load-securement equipment, and freight all to Carrier’s nearest terminal, and to pay Carrier all amounts Contractor then owes Carrier under this Agreement. If Contractor fails to do so, Contractor agrees to pay Carrier all expenses incurred by Carrier in returning those items to good working condition and in seeking the return of the items, including reasonable attorneys’ fees and collection costs. Carrier may pursue all other remedies allowed by law or authorized in this Agreement against Contractor.

3. Gross Compensation

3.1 In General

Contractor’s gross compensation is set forth in Appendix A and constitutes the total compensation for the use of the Equipment and for everything furnished, done by, or required of Contractor’s workers in connection with this Agreement, including (but not limited to) driving the Equipment and performing all non-driving activities, such as pre- and post-trip inspections, waiting to load or unload (detention), loading or unloading (if required), fueling, repairing and maintaining the Equipment, hooking and unhooking trailers (loaded or empty), preparing logbooks and other paperwork, and other services. **Contractor—as an independent contractor, not an employee—agrees that Contractor is responsible for paying all operating expenses.** Contractor is entitled to gross compensation only upon the full performance of any trip offered by Carrier and accepted by Contractor.

3.2 Method of Compensation

3.2.1 Adjusted Gross Revenue

Adjusted Gross Revenue (“AGR”) means all revenue billed by Carrier to shippers, consignees, consignors, brokers, logistics companies, freight forwarders, other carriers, or other customers (referred to collectively as “Carrier’s Customer” throughout this Agreement) in connection with shipments Contractor accepts under this Agreement for linehaul transportation, hourly work, accessorial services, detention, and all other services, fuel surcharges, and other charges and surcharges for a particular shipment **less:** (i) revenue billed by Carrier for all “Additional Compensation” items listed in Appendix A or elsewhere in this Agreement; (ii) incentives, discounts, fees, including those for loading or unloading services provided by Carrier’s Customer either directly or through third parties, including but not limited to Carrier’s Customer or an affiliate of Carrier (together, “Third Parties”), or commissions that Carrier gives Carrier’s Customer with respect to a shipment; (iii) other amounts Carrier paid to Third Parties in relation to movement of the shipment if not covered by a charge separately stated on Carrier’s invoice to Carrier’s Customer, including but not limited to fees or commissions (including commission recoveries) paid to brokers, freight forwarders, interline or augmenting carriers, warehouse or other storage providers, terminals, agents, or any other Third Party, freight payment-processing fees consisting of the actual cost incurred by Carrier for the shipment if Carrier’s Customer or an third-party payer makes deductions from Carrier’s freight

charges related to electronically-transmitted billing and payment account use, expenses attributable to an accessorial service, escorts, overweight, overdimensional, or other permits, loading and/or unloading services, amounts paid or accrued for cartage, certain specialized trailers and excessive trailer spotting, tarping, or special security measures paid to a Third Party or to Contractor, and amounts paid to other contractors as a pro rata payment for their participation in the movement of a shipment; and (iv) charges separately stated on Carrier's invoice to Carrier's Customer as fuel surcharges (or fuel or other cost adjustments or special fuel charges), insurance surcharges, charges for Third-Party contract services, freight payment processing fees, detention charges, charges for escorts, charges for overweight, overdimensional, or other permits, charges for special loading and/or unloading services, excess-value charges or high-value freight charges, "truck ordered but not used" charges, or surcharges for special security measures furnished or paid for by Carrier.

3.2.2 Mileage-Based Compensation

When compensation is based on a mile-based rate, as stated in Appendix A or otherwise applicable, mileage will be calculated using Carrier's most current (at the time of Contractor's trip) Rand McNally mileage guide. With respect to Carrier's mileage guide, Carrier will furnish to Contractor without charge during normal business hours print-outs of any mileage calculations reasonably requested by Contractor.

3.3 Shipment-Specific Compensation

Carrier and Contractor may agree in advance on gross compensation to be paid for services relating to one or more specific shipments by both signing an addendum to that effect. The gross compensation described in such an addendum will constitute the total gross compensation Contractor is entitled to for all services performed with respect to those shipment(s). Contractor agrees not to load any shipment to which a proposed compensation addendum relates until Contractor has signed that addendum. Contractor authorizes its drivers to sign compensation-related addendums on its behalf under this section.

3.4 Changes in Compensation

Carrier will provide Contractor with a proposed addendum containing any change to Contractor's gross compensation at least 30 days in advance. If Contractor wishes to continue operating on Carrier's behalf, Contractor may consent to the change by signing the addendum. If Contractor does not consent to the change before the date indicated on the addendum, this Agreement may be terminated on the date set forth on the addendum, and Contractor will not be subject to the change proposed in the addendum.

3.5 Adjustments to Compensation for Billing Errors

If Carrier discovers and corrects an error in the amount of any item billed on a shipment that Contractor hauled and for which Contractor was compensated on a percentage of AGR, Carrier will credit to, or deduct from, Contractor's gross compensation at a subsequent settlement a share—corresponding to the applicable percentage of AGR normally payable to Contractor for that service—of the amount Carrier actually collects or refunds in remedying the error. Before or at settlement, Carrier will provide Contractor with a copy of the amended rated freight bill or a computer-generated document that contains the same information (or, in the case of contract carriage, any other form of documentation actually used for a shipment containing the same information that would appear on a rated freight bill), and will otherwise meet the requirements of Section 4 of this Agreement with respect to the shipment.

4. Settlement Period and Documentation

4.1 Settlement

Carrier will settle with and pay gross compensation to Contractor within 15 days after Contractor's submission to Carrier of driver logs required by the Federal Motor Carrier Safety Administration ("FMCSA") and those documents necessary for Carrier to secure payment from Carrier's Customer, including the signed freight bill, delivery receipt, or bill of lading (settlement will not be conditioned on Contractor's submission of a clean bill of lading (i.e., a bill of lading to which no exceptions have been taken)), concerning a trip in the service of Carrier under this Agreement. At each settlement, Carrier will furnish to Contractor a statement detailing all debit and credit entries since the preceding statement ("Settlement Statement"). The parties agree that all debit and credit entries detailed in each Settlement Statement are conclusively presumed to be correct and proper if not disputed by Contractor within 180 days of Carrier's issuance of the Settlement Statement.

4.2 Freight Documentation

Where Contractor is paid a percentage of AGR, Carrier will provide Contractor with a copy of the rated freight bill or a computer-generated document that contains the same information—or, in the case of contract carriage, any other form of documentation actually used for a shipment containing the same information that would appear on a rated freight bill—before or at the time of settlement. Regardless of the method of compensation, Contractor may examine Carrier's tariffs (or other contracts or documents, if any) from which rates and charges are computed, as well as documents underlying any computer-generated document, at Carrier's headquarters during business hours. If rates and charges are computed from a contract, Contractor may examine only those portions of the contract containing the same information as would appear on a rated freight bill. Carrier may delete the names of shippers and consignees shown on that documentation. Nothing in this Agreement limits Carrier's exclusive right to set the rates and amounts charged to Carrier's Customer. **All documents examined by Contractor under this section are designated Confidential Matters under Section 25 of this Agreement.**

4.3 Removal of Identification

On termination of this Agreement, Carrier may withhold any compensation owed to Contractor until Contractor removes and returns to Carrier all Carrier identification devices or, with respect to identification that cannot be physically returned (e.g., identification painted on Equipment), provides a letter certifying their removal.

5. Deductions from Gross Compensation

5.1 Settlement Compensation

Contractor authorizes Carrier to charge back to or deduct from Contractor's gross compensation, Escrow Fund, or any money owed to Contractor all amounts Contractor owes to Carrier, as listed or referenced in the Deductions Table in Section 5 of Appendix A ("Deductions Table") or elsewhere in this Agreement, resulting in a net amount, if any, to be remitted to Contractor ("Settlement Compensation"). If Contractor owes Carrier a net amount following any settlement, Contractor agrees to immediately pay Carrier that amount. Carrier has the right to recover, through all legal means, any such amounts Contractor owes Carrier. Contractor agrees not to charge any amounts to Carrier's account, or to execute or endorse any instrument for or on behalf of Carrier, without Carrier's advance written permission. Contractor and Carrier will not incur or authorize any other debts in the name of the other.

5.2 Documentation

Carrier will deliver to Contractor a written explanation and itemization of any deductions for cargo or property damage before they are made. With respect to all charge-back items and deductions, Contractor, upon request, will be afforded copies of those documents which are necessary to determine the validity of the charge.

5.3 Changes to Deductions Table

Carrier will notify Contractor in writing of a change to the amount of any item listed or referenced in the Deductions Table. Contractor will not be subject to that change until 30 days after the notice—or, if sooner, the time the third-party vendor has allowed—unless Contractor signs an addendum consenting to the change, in which case the change described in the addendum will go into effect immediately upon signing. **Otherwise, Contractor's failure to object to the change constitutes Contractor's consent to the change effective as of the date specified in the notice.** If Contractor notifies Carrier of Contractor's objection within that period and Contractor and Carrier are unable to resolve the matter to their mutual satisfaction, either party will have the right to terminate this Agreement immediately upon the change becoming effective.

6. Carrier's Insurance Obligations

Under FMCSA regulations (49 C.F.R. Part 387) issued pursuant to 49 U.S.C. § 13906, Carrier will maintain (through the purchase of insurance policies or an FMCSA-approved self-insurance program) "public liability" insurance (as defined in 49 C.F.R. § 387.5) at all times the Equipment is being operated on behalf of Carrier. Carrier may also maintain cargo loss-and-damage insurance at all times the Equipment is being operated on behalf of Carrier. These coverages will be maintained at Carrier's expense. Carrier's possession of public liability and/or cargo loss-and-damage insurance will in no way affect Contractor's indemnity obligations to Carrier as provided for in this Agreement. Carrier's public liability insurance and cargo insurance (if any) will have coverage not less than, and deductibles of not greater than, those stated in Appendix A. Carrier's public liability insurance and cargo insurance list Contractor, either by class or individually, as an additional insured. If Contractor wishes to insure Contractor against bodily-injury, property-damage, environmental-restoration, and cargo claims asserted directly against Contractor by an injured third party, Contractor must purchase and maintain Contractor's own insurance policies covering such claims.

7. Contractor's Insurance Obligations

7.1 Work-Injury Coverage

During the term of this Agreement, Contractor must maintain, at Contractor's expense, an insurance policy(ies) providing coverage for work-related injuries sustained by any of Contractor's workers, including coverage for medical expenses and lost compensation. For each of Contractor's workers, unless Contractor is eligible to, and does, maintain a policy of occupational accident insurance under Section 7.1.2 of this Agreement, Contractor must maintain a policy of workers' compensation insurance that complies with Section 7.1.1 of this Agreement.

7.1.1 Workers' Compensation Insurance

1 If Contractor has no home terminal, the state in which the majority of Contractor's miles are operated. If Contractor's miles are

Contractor's workers' compensation insurance policy must: (i) provide principal coverage in the state in which Carrier is headquartered, the state in which Contractor is domiciled, and any other state(s) in which Contractor will have substantial operations under this Agreement; (ii) if Contractor is a corporation, not exclude officers from coverage; (iii) provide "other states coverage" that excludes only the "Monopolistic States" (currently, North Dakota, Ohio, Washington, and Wyoming); and (iv) provide, if available, an extended protection endorsement or provision to cover or reimburse Contractor (if not domiciled in a Monopolistic State) and Carrier for any benefits and expenses incurred as a result of a claim made by any of Contractor's workers in any Monopolistic State. If Contractor is domiciled in any of the Monopolistic States, Contractor must have state-fund coverage. Before operating the Equipment under this Agreement, Contractor must provide Carrier with a copy of a declarations page or, for state-fund coverage, a document showing Contractor's active enrollment, including, where applicable, certificates of current premium payment.

7.1.2 Occupational Accident Insurance

Contractor may elect to maintain a policy of occupational accident insurance instead of workers' compensation insurance with respect to a given worker if: (i) Applicable Law allows; (ii) Contractor's home terminal¹ is not located in California, Illinois, Nevada, New Hampshire, New Jersey, North Carolina, or, if Contractor's worker is not operating on an interstate basis, Washington; and (iii) Contractor's worker is not domiciled or principally localized in those states. Contractor agrees to comply with Applicable Law regarding occupational accident insurance, including but not limited to the special conditions imposed by the following jurisdictions: Arizona, Arkansas, Colorado, Illinois, Louisiana, Mississippi, Montana, New Mexico, Rhode Island, South Dakota, Tennessee, Texas, Utah and/or West Virginia. Carrier's agreement to facilitate occupational accident insurance does not warrant that Contractor has complied with such conditions but instead is made in direct reliance on Contractor's representation that it has and will continue to do so. Notwithstanding anything to the contrary herein, Carrier reserves the right not to facilitate occupational accident insurance via deductions from Contractor's gross compensation for any of Contractor's workers domiciled or principally localized in Connecticut, Kansas, Massachusetts, Oregon, and Vermont. Before operating the Equipment under this Agreement, Contractor must provide Carrier with proof of all occupational accident insurance not facilitated by Carrier. The occupational accident insurance must meet the specifications listed in Appendix A and be no less comprehensive than the coverage Carrier offered to facilitate on Contractor's behalf. Any occupational accident insurance maintained by Contractor must provide indemnification of workers' compensation benefits and expenses payable by or on behalf of Carrier and that becomes effective for a claim alleging employee status.

7.2 Non-Trucking Liability

Contractor agrees to maintain, at Contractor's expense, non-trucking liability insurance providing public-liability coverage to Contractor whenever the Equipment, including any Trailing Equipment (as described in Section 13 of this Agreement), is not being operated on behalf of or in the business of Carrier. The coverage must meet the specifications listed in Appendix A and be no less comprehensive than the non-trucking liability insurance Carrier may facilitate on Contractor's behalf if Contractor so chooses. Contractor will be

operated in multiple states with none having a majority, the state in which Contractor resides.

responsible for all deductible amounts and for any loss or damage in excess of the policy limit.

7.3 Other Insurance

Contractor is responsible for maintaining, at Contractor's expense, any fire, theft, uninsured and/or underinsured motorist, physical damage (collision) to the Equipment, physical damage (collision) to Trailing Equipment, or other insurance coverage that Contractor may desire for the Equipment or for Contractor's health care or other needs. Contractor acknowledges that Carrier may, and Contractor authorizes Carrier to, waive, reject, or reduce no-fault, uninsured, and underinsured motorist coverage from Carrier's insurance policies to the extent allowed under Applicable Law, and Contractor agrees to cooperate in the completion of all necessary documentation for the waiver, election, rejection, or reduction.

7.4 Contractor's Insurance Coverages

Contractor's insurance policies must be issued by insurance carriers that are A.M. Best "A"-rated or of equivalent financial strength in the commercially-reasonable judgment of Carrier. Contractor agrees to furnish to Carrier documentation, such as certificates of insurance, showing that all coverages required by this Agreement have been procured, that the coverages are being properly maintained, and that the premiums are paid. Each certificate furnished to Carrier must identify the insurance carrier, policy number, and expiration date, and show that Carrier has been named as an additional insured with primary and non-contributory coverage. Contractor's workers' compensation policy (if required by Section 7.1.1 of this Agreement) must contain an alternate-employer endorsement in favor of Carrier. Contractor must provide, or cause its insurance carrier to provide, written notice to Carrier of cancellation or modification of the policy at least 30 days in advance.

7.5 Liability If Coverages Are Not Maintained

Subject to the indemnity limits in Section 15.2 of this Agreement, Contractor agrees to defend, indemnify, and hold harmless Carrier from any loss, damage, fine, expense (including reasonable attorneys' fees), action, and claim for injury to persons (including death) or damage to property that Carrier may incur arising out of or relating to Contractor's failure to maintain the insurance coverages required by this Agreement. In addition, Contractor, on behalf of Contractor's insurer, expressly waives all subrogation rights against Carrier, and if a subrogation action is brought by Contractor's insurer, Contractor agrees to defend, indemnify, and hold Carrier harmless from that action.

7.6 Insurance Facilitated by Carrier

Contractor may authorize Carrier to facilitate, on Contractor's behalf, the insurance coverages listed in Appendix A. For each coverage elected by Contractor, Carrier will deduct or otherwise recover the amounts stated in Appendix A. If Contractor fails to provide proper evidence of the purchase or maintenance of the insurance required by Section 7 of this Agreement, Carrier is authorized but not required to obtain the insurance at Contractor's expense and deduct or otherwise recover the amounts stated in Appendix A. Contractor recognizes that Carrier is not in the business of selling insurance, and any insurance coverage requested by Contractor from Carrier is subject to all of the terms, conditions, and exclusions of the actual policy. Carrier will ensure that Contractor is provided with a certificate of insurance meeting the requirements of 49 C.F.R. § 376.12(j)(2) for each facilitated policy, and Carrier will provide Contractor with a copy of each such policy upon request.

7.7 Changes in Cost or Other Details of Coverages

If Contractor has elected an insurance coverage facilitated by Carrier and the cost or other details (as specified in the Certificate of Insurance in Appendix A) change, Carrier will notify Contractor in writing. Contractor will not be subject to the change until 30 days after the notice—or, if sooner, the time the third-party vendor has allowed—unless Contractor signs an addendum consenting to the change, in which case the change described in the addendum will go into effect immediately upon signing. **Otherwise, Contractor's failure to object to the change constitutes Contractor's consent to the change effective as of the date specified in the notice.** Carrier will provide Contractor with an updated Certificate of Insurance reflecting the change and, upon request, a copy of the insurance policy. If Contractor notifies Carrier of Contractor's objection within that period set forth in the notice and Contractor and Carrier are unable to resolve the matter to their mutual satisfaction, either party will have the right to terminate this Agreement immediately upon the change becoming effective.

8. Escrow Fund

Contractor authorizes Carrier to establish and administer an escrow fund as follows ("Escrow Fund"):

8.1 Principal

Contractor must maintain in the Escrow Fund the Principal Amount stated in the Deductions Table, to be funded by deductions from Contractor's gross compensation at the rate set forth in the Deductions Table beginning the first week Contractor provides services under this Agreement and continuing until the Principal Amount is reached. If the amount in the Escrow Fund falls below the Principal Amount, Contractor authorizes Carrier to deduct from Contractor's gross compensation at double the indicated rate until the Principal Amount is reached.

8.2 Items to Which Escrow Fund May Be Applied

The Escrow Fund will be held by Carrier for the purpose of ensuring Contractor's compliance with this Agreement. The items to which the Escrow Fund will apply are all charge-back items and deductions set forth in the Deductions Table ("Escrow Items").

8.3 Accountings

While the Escrow Fund is under Carrier's control, Carrier will either: (i) clearly indicate in Settlement Statements the amount and description of any deduction or addition made to the Escrow Fund; or (ii) provide a separate accounting to Contractor of any transactions involving the Escrow Fund on a monthly basis. On Contractor's request, Carrier will provide an accounting of any transactions involving the Escrow Fund.

8.4 Interest

Carrier will pay interest on the balance in the Escrow Fund on at least a quarterly basis ("Interest Period"). For purposes of calculating the balance of the Escrow Fund on which interest must be paid, Carrier may deduct a sum equal to the average advance made to Contractor during the Interest Period. The interest rate will be established on the date the Interest Period begins and will be equal to the average yield of 91-day, 13-week U.S. Treasury bills, as established in the weekly auction by the Department of Treasury.

8.5 Return of Escrow Fund

In no event will the balance in the Escrow Fund (less any final deductions) be returned to Contractor later than 45 days from the date of termination of this Agreement. At the time of the return of

any balance in the Escrow Fund, Carrier may deduct monies for all Escrow Items. Carrier will not make deductions from the Escrow Fund for items for which, by the end of 45 days after termination of this Agreement, neither Contractor nor Carrier has yet made expenditure or incurred a quantified, legally binding obligation to pay. Carrier will provide a final accounting to Contractor of all final deductions made from the Escrow Fund within 45 days from the date of termination of this Agreement.

9. Legal Requirements and Customer Specifications

Contractor's workers who perform services under this Agreement will not engage in—or attempt, conspire, or threaten to engage in—any act or omission that would constitute a felony or intentional tort, whether or not arising out of or relating to operations under this Agreement. In addition, Contractor recognizes that Carrier's separate and distinct business of providing motor carrier freight transportation service to the public is subject to Customer Specifications and to regulation by various federal, state, local, Native American tribal, and foreign authorities. Contractor acknowledges that Contractor has a full and complete understanding and knowledge of the requirements of all these authorities and of all applicable Customer Specifications. Contractor agrees to adhere to and perform the following to aid Carrier in discharging Carrier's legal and customer-service responsibilities.

9.1 Drivers

Contractor is not obligated to personally perform any of the services contemplated by this Agreement. Contractor agrees to provide professional drivers who meet Carrier's driver qualification standards ("Carrier's Driver Qualification Standards") and Applicable Law, including all standards found in the Federal Motor Carrier Safety Regulations. Contractor's drivers must authorize Carrier to access driver files, FMCSA's Safety Measurement System data, and FMCSA's Pre-Employment Screening Program reports, both during the driver-qualification process and at any time thereafter. Contractor appoints all drivers it furnishes to Carrier as Authorized Representatives of Contractor. Carrier will disqualify, for at least the period specified in 49 C.F.R. § 383.51, any driver who has been convicted of or alleged to have committed a disqualifying violation set forth in that regulation, and Carrier will have the right to disqualify temporarily or permanently any driver (including Contractor) found to be: (i) in violation of Sections 9.5, 9.6, or 11.3 of this Agreement; (ii) unsafe, unqualified, unfit, or uninsurable under Applicable Law; (iii) in violation of applicable Driver Qualification Standards; or (iv) in violation of any Customer Specifications. Upon a driver's disqualification by Carrier, Contractor agrees to provide another qualified driver, as necessary, to complete the performance of any services affected by the disqualification. Contractor is free, at any time during this Agreement, to hire substitute or additional drivers who meet the Driver Qualification Standards and Applicable Law.

9.2 Transportation Worker Identification Credential

Contractor agrees to ensure that each of Contractor's workers obtains a Transportation Worker Identification Credential ("TWIC") if a TWIC is necessary to access any locations. If any of Contractor's workers lack a TWIC and need a suitably-credentialed escort, Contractor agrees to pay the fee charged by the escort.

9.3 Documents

Contractor must timely submit to Carrier all properly completed driver logs and supporting documents (including originals or copies of toll receipts), physical-examination certificates, accident re-

ports, and any other required data, documents, or reports. Contractor agrees that all bills of lading or other papers identifying the property carried on the Equipment will show that the property is under the responsibility of Carrier or of a Sublease Carrier (as defined in the Addendum for Alternative Uses of Equipment).

9.4 Medical Examinations

Contractor agrees to ensure that all of Contractor's drivers complete medical examinations prior to driving and follow-up examinations as required by 49 C.F.R. §§ 391.41 *et seq.* Carrier will bear the expense of medical examinations for all of Contractor's drivers. Contractor also agrees to ensure that each driver notifies Carrier immediately if a physical condition develops or worsens, or, the driver begins taking (or increases the dosage of) a medication that might adversely affect the driver's ability to safely operate a commercial motor vehicle. Carrier may, any time after learning of a driver's adverse physical condition or new medication or dosage, suspend the driver's qualification to operate the Equipment under Carrier's authority pending Carrier's receipt of further information from Contractor. Carrier will then decide whether to restore the qualification of the driver, and will notify the driver and Contractor of the decision.

9.5 Drug and Alcohol Testing

Contractor agrees to ensure that all of Contractor's drivers will comply with: (i) all drug-and-alcohol use-and-testing requirements under Applicable Law; and (ii) Carrier's drug-and-alcohol policy ("Drug-and-Alcohol Policy"), including participation in Carrier's random drug-and-alcohol testing program (if any). Violation by a driver of Carrier's Drug-and-Alcohol Policy or any drug-and-alcohol use-and-testing requirement imposed by Applicable Law will immediately disqualify that driver. Carrier will bear the expense of any initial drug tests; Carrier will bear the expense of all subsequent drug-and-alcohol testing for all of Contractor's drivers.

9.6 Safe and Legal Operations

Contractor agrees to ensure that all of Contractor's workers: (i) drive or otherwise perform in a safe and prudent manner at all times so as to avoid endangering the public, the worker, and/or the property being transported; (ii) comply with Applicable Law (including without limitation prohibitions on texting and use of handheld mobile telephones), Carrier's operating authorities, and all Customer Specifications and Carrier Policies and Procedures (to the extent compliance would not pose an undue safety risk); and (iii) not be involved, during this Agreement, in an "accident" that, in Carrier's reasonable judgment, was "preventable," as those terms are defined in 49 C.F.R. § 390.5 and 49 C.F.R. Part 385, App. B, respectively.

9.7 Compliance, Safety, and Accountability

Contractor's drivers must at all times meet FMCSA's safety standards sufficient to enable Carrier to: (i) achieve and maintain a "satisfactory" or similar rating that enables Carrier to operate without FMCSA intervention or restriction pertaining to any of the safety evaluation areas ("BASICS") measured by FMCSA's Compliance, Safety, Accountability program ("CSA"); (ii) obtain insurance coverage without increased costs associated with driver ratings or other driver measurements under CSA; and (iii) be and remain competitive with similarly situated carriers with regard to quality of driver safety as measured under CSA. Contractor must notify Carrier in writing immediately after receiving notification from FMCSA that any of Contractor's drivers have been deemed "unfit" or otherwise disqualified from operating commercial motor vehicles in interstate commerce.

9.8 Customer Specifications

Contractor agrees to comply with all specifications dictated by Carrier's Customers communicated to Contractor which may safely be complied with without violating Applicable Law or Carrier's Policies and Procedures, and without endangering the public, Contractor's workers, and the property being transported ("Customer Specifications"). If Carrier's Customer conditions access to its facilities or freight upon compliance with any Customer Specification that Contractor does not assent to, Contractor may categorically opt out of receiving Carrier's offer of shipments from such customer.

9.9 Carrier's Policies and Procedures

To aid Carrier in discharging Carrier's obligations under Applicable Law and meeting Customer Specifications, Carrier has adopted Policies and Procedures comprised of applicable Driver Qualification Standards, a Drug-and-Alcohol Policy, and a Manual for Contractors and Their Drivers. Carrier may amend its Policies and Procedures at any time, and will furnish any amendments to Contractor before the amendment goes into effect.

10. Contractor's Operating Expenses

10.1 In General

Contractor, at Contractor's expense, agrees to provide the Equipment ready to operate and fully roadworthy, including the necessary licenses, permits, cab cards, and state base plates, and will furnish all lubricants, fuel, tires (including changing or repairing tires), and other parts, supplies, equipment, and repairs necessary or required for the safe and efficient operation and maintenance of the Equipment. Unless otherwise provided in this Agreement, Contractor agrees to pay all expenses incident to the operation of the Equipment, including but not limited to empty mileage, lumper services, highway use taxes, weight taxes, state property, ad valorem, or indefinite situs taxes, fuel taxes, registration fees, base plates and licenses (and any unused portions thereof), Native American tribal fees and other permits of all types, ferry, bridge, tunnel, and road tolls, detention and accessorial charges not collected by Carrier because of Contractor's failure to provide required documentation, and the costs of Contractor's workers as set forth in Section 19.3 of this Agreement.

10.2 Maintenance and Inspection

Contractor will maintain the Equipment in safe condition and in compliance with Applicable Law (including but not limited to all regulations administered by the California Air Resources Board) at Contractor's expense. To ensure compliance with Applicable Law, Contractor must either: (i) provide Carrier a copy of an inspection report showing the Equipment passed a full annual inspection under 49 C.F.R. § 396.17 within the 60-day period prior to the Effective Date of this Agreement; or (ii) make the Equipment available for an inspection at an appropriate maintenance facility, and have any necessary maintenance or repairs done at Contractor's expense, before the Effective Date. During this Agreement, Contractor agrees to have a full inspection performed once every 90 days at an appropriate maintenance facility at Contractor's expense. Contractor also agrees to have a full inspection performed at an appropriate maintenance facility within as soon as reasonably possible following any roadside inspection of the Equipment that results in a violation with negative implications for Carrier's Vehicle Maintenance BASIC, at Contractor's expense. Contractor also agrees to make the Equipment available for inspection at any time upon reasonable request by Carrier at an appropriate maintenance facility, at Contractor's expense. Contractor agrees to pro-

vide Carrier with a copy of any inspection reports (roadside or otherwise) immediately upon completion of the inspection and agrees to share with Carrier maintenance and repair records for the Equipment upon Carrier's reasonable request.

10.3 Fines and Penalties

Except as otherwise provided in Section 10.4 and **not subject to the indemnity limits of Section 15.2 of this Agreement**, Contractor agrees to promptly notify Carrier of and pay all fines and penalties arising out of or relating to the use of the Equipment under this Agreement—whether naming any of Contractor's workers who perform services under this Agreement, Carrier, or both, and including but not limited to parking, traffic, or logbook-violation fines and penalties—imposed for the violation of Applicable Law where the violation results, at least partially, from the acts or omissions of any of Contractor's workers. Contractor authorizes Carrier to deduct or otherwise recover all such amounts.

10.4 Overweight and Oversized Shipments

Contractor agrees to ensure that all shipments are in compliance with the size-and-weight laws of the States, provinces, and localities through which the Equipment will travel, and to notify Carrier if the vehicle is overweight, oversized, or in need of permits before commencing the haul. Except when the violation results from the acts or omissions of Contractor, Carrier will assume the risks and costs of fines for overweight and oversize trailers when the trailers are preloaded and sealed or the load is containerized, or for improperly permitted loads, or the trailer or lading is otherwise outside of Contractor's (including Contractor's drivers') control. Contractor agrees to pay or reimburse Carrier for any costs or penalties due to Contractor's failure to weigh each shipment or to notify Carrier that the vehicle is overweight, oversized or in need of permits. Contractor authorizes Carrier to deduct or otherwise recover all such amounts.

10.5 Base Plates

Contractor agrees to obtain and display on the Equipment the base plates necessary to operate the Equipment lawfully on Carrier's behalf. If Contractor chooses to have Carrier obtain the base plates and deduct the expense from Contractor's gross compensation, Contractor will so indicate in Appendix A. If this Agreement is terminated prior to Contractor's reimbursement of Carrier's expense in full, Contractor authorizes Carrier to deduct any remaining amount from Contractor's final settlement and/or Escrow Fund. If Contractor removes and returns the plate(s) to Carrier upon the termination of this Agreement and if Carrier then receives a refund or credit for the plate(s) or resells the plate(s) to another contractor, Carrier will refund to Contractor a prorated share of the amount received by Carrier, less any transfer or replacement fees owed to the plating jurisdictions. If Contractor asks Carrier to make any changes to a base plate (for example, to increase or decrease the vehicle-weight bracket), Carrier will use its best efforts to make the change and deduct or otherwise recover the amount stated in the Deductions Table.

10.6 Permits

Contractor agrees to obtain and pay for all permits and licenses necessary under Applicable Law for Contractor to operate the Equipment lawfully on Carrier's behalf.

10.7 Fuel and Mileage Taxes and Reporting

Contractor is responsible for obtaining an International Fuel Tax Agreement ("IFTA") permit and performing fuel and mileage tax reporting for the operation of the Equipment. If Contractor elects

to do so on Contractor's own, Contractor agrees to be solely responsible for calculating, reporting, and paying all fuel taxes owed for the operation of the Equipment; **and agrees to indemnify, defend, and hold harmless Carrier from all claims arising out of or relating to the fuel tax reporting and payment (not subject to the indemnity limits in Section 15.2 of this Agreement).** If Contractor instead elects to have Carrier perform fuel and mileage reporting on Contractor's behalf:

10.7.1 Comdata Card

Carrier will be deemed the reporting entity with respect to the Equipment and the fuel consumed by it. Carrier will settle with Contractor monthly and submit quarterly, in Carrier's name, all applicable reports and payments of fuel taxes. Carrier will furnish Contractor with a card ("Comdata Card") that Contractor's workers may use only for fuel, additives, lubricants, and, subject to Carrier approval, maintenance for the Equipment. Contractor's workers are free not to use the Comdata Card, but in that event Contractor agrees to promptly provide Carrier with properly completed driver logs, original fuel receipts (each to be submitted with the corresponding log indicating the fuel purchase for which the receipt was obtained), original toll receipts, and an accounting of all fuel purchases and miles traveled by jurisdiction by the Equipment.

10.7.2 Fuel Tax Deductions or Credits

In addition to the flat periodic charge set forth in Appendix A, Carrier will quarterly, with respect to Contractor's operations in all taxing jurisdictions combined, either: (i) deduct or otherwise recover any net fuel use tax owed; or (ii) credit Contractor for any net fuel use tax credit or refund due Contractor. Carrier will ensure that Contractor receives, at least quarterly, summaries of credits and debits for fuel taxes on a state-by-state basis either on Settlement Statements or through separate accountings, at Carrier's option.

10.7.3 Computation of Taxes

Carrier will compute Contractor's fuel use and mileage taxes on a fleetwide-average basis. If Contractor fails to provide Carrier complete and accurate fuel-tax-related records in time for Carrier's computation of Carrier's fuel tax reports and payments for the preceding month, Carrier will compute Contractor's fuel use taxes based on total miles dispatched by Carrier at the miles-per-gallon rate stated in the Deductions Table.

11. Communications

11.1 Electronic Logging Device

To serve Customers' shipment-tracking demands and help fulfill government requirements, including compliance with the hours-of-service regulations, Contractor must maintain and operate in the Equipment, and Contractor's driver will use, a Carrier-provided Electronic Logging Device ("ELD"). Carrier will, at Carrier's expense, furnish, install, and maintain in an operable condition an ELD in the Equipment. Contractor will immediately return the ELD to Carrier upon Carrier's request or the termination of this Agreement. If the ELD is lost, damaged as a result of Contractor's negligence, or not returned upon request or upon termination of this Agreement, Contractor authorizes Carrier to deduct or otherwise recover the entire expense incurred by Carrier in recovering, repairing, or replacing the ELD. Carrier will not be responsible for any loss or damage to the Equipment arising or resulting from the installation, use, or removal of the ELD. If Contractor replaces the unit(s) of Equipment, Contractor will bear the expense of removal and re-installation of the ELD in the replacement Equipment, and

Contractor authorizes Carrier to deduct or otherwise recover all such expense.

11.2 Event Recorder

To help avoid adverse safety scores and FMCSA interventions under CSA, to gather evidence relating to highway accidents, and to identify driving habits in violation of Applicable Law, Contractor agrees to have installed and maintain in each unit of Equipment, and Contractor's driver will use, a Carrier-provided on-board event-recording device ("Event Recorder"). Carrier will, at Carrier's expense, provide, install, and maintain in an operable condition an Event Recorder in the Equipment. Contractor agrees to make the Equipment available to Carrier, at the location indicated by Carrier, for installation of Event Recorder(s) within a reasonable time after Carrier's request. In the event Contractor replaces the unit(s) of Equipment, Contractor agrees to make all applicable Equipment available and to allow Carrier to remove and re-install any Carrier-furnished Event Recorders in Contractor's replacement Equipment. Contractor agrees to be responsible for the return of each Carrier-furnished Event Recorder to Carrier immediately upon the earlier of Carrier's request or the termination of the Agreement. Only a qualified technician selected by Carrier shall remove Event Recorders. If an Event Recorder, including any related accessories (e.g., mounting equipment), is lost or damaged at any time, or not timely returned, Contractor authorizes Carrier to deduct or otherwise recover the entire expense incurred by Carrier in repairing or replacing the device, together with all collection costs.

11.3 Safe Use of Communications Devices

Applicable Law prohibits the handheld use of mobile phones by drivers operating commercial motor vehicles except in an emergency when such use is necessary to communicate with law enforcement officials or other emergency services. Violations of this prohibition may impact driving safety and result in civil penalties against Carrier. **As a result, Contractor agrees to ensure that Contractor's drivers comply with Applicable Law and Customer Specifications regarding use of mobile phones and ELDs while operating the Equipment. Failure to comply with such prohibitions or limitations may result in disqualification of the driver involved and/or termination of this Agreement.**

11.4 Privacy Disclosures and Consent Form

Carrier's Privacy Disclosures and Acknowledgement Form, attached to this Agreement, describes the categories of data collected by the ELD and Event Recorder, the uses to be made of such data by Carrier, and the right of Contractor's driver(s) to review certain of the data upon request. Contractor agrees to review, sign, and return a signed copy of this form, as well as provide a copy of this form to all Contractor's drivers that use ELDs and Event Recorders while operating under Carrier's authority.

11.5 Consent to Telephonic Communications

Pursuant to the Telephone Consumer Protection Act, Contractor authorizes Carrier or any agent of Carrier to contact Contractor at Contractor's telephone number(s) appearing in the signature block after the main text of this Agreement, or otherwise provided to Carrier by Contractor before, on, or after the Effective Date, including any telephone number associated with a cellular phone, via any method, including but not limited to live, person-to-person communications and by automatic telephone dialing system.

12. Cargo Claims

Contractor agrees to immediately report all cargo claims to Carrier, including all claimed shortages, overages, damages, or other exceptions to the cargo. If possible, Contractor agrees to notify Carrier of all cargo claims before leaving the Customer's or consignee's location. Contractor's indemnity obligation to Carrier under Sections 15.1 and 15.2 of this Agreement will apply to each cargo claim, including but not limited to delay, shortages, misdelivery, and any direct damage claim relating to lost, damaged, or contaminated loads arising out of or relating to Contractor's services. Contractor authorizes Carrier to deduct or otherwise recover any such amounts.

13. Use of Trailing Equipment

For every trailer, chassis, or other unit of trailing equipment provided to Contractor by Carrier or Carrier's Customer ("Trailing Equipment"):

13.1 Carrier's Responsibilities

Carrier will, at Carrier's expense, be responsible for all regular maintenance of axles, brakes, and other electrical and mechanical systems, repairs of damage to Trailing Equipment attributable to reasonable wear and tear, and purchases of replacement tires for all of Trailing Equipment, provided these expenses are approved by Carrier before the work is performed.

13.2 Contractor's Responsibilities

Contractor agrees to be responsible for daily pre-trip and post-trip inspections, proper inflation of tires, prompt informing of Carrier upon experiencing defective or mal-performing tires, brakes, or other electrical or mechanical features of Trailing Equipment, and proper lubrication. Contractor agrees and warrants that all Trailing Equipment if used by Contractor's drivers will be used to transport only shipments tendered to Contractor by Carrier, except pursuant to an Addendum for Trailer Sublease. **Subject to the indemnity limits in Section 15.2 of this Agreement**, Contractor will be liable for the entire amount of all repairs of all damage to the Trailing Equipment (other than damage caused by ordinary wear and tear), as well as all expenses and indirect, special, and consequential damages resulting therefrom—including but not limited to storage costs while awaiting repair, towing or moving expenses, and replacement costs in the event of a total loss—arising out of or relating to Contractor's use of Trailing Equipment, other Carrier equipment, or equipment of any other carrier. All such repairs and maintenance will be performed at facilities designated or approved by Carrier. Contractor authorizes Carrier to deduct or otherwise recover all these amounts. Before deducting any such damage from Contractor's gross compensation, Carrier will provide Contractor with a written explanation and itemization of the deduction.

13.3 Return of Trailing Equipment

Contractor agrees to return any Trailing Equipment in the same good condition as received by Contractor, reasonable wear and tear excepted, along with any and all other equipment and property belonging to Carrier immediately upon Carrier's request or upon termination of this Agreement. If Trailing Equipment is not in as good a condition as when it was delivered by Carrier (reasonable wear and tear excepted), Contractor authorizes Carrier to restore Trailing Equipment to proper condition and to charge back to Contractor the costs of these repairs or reconditioning. If Contractor for any reason fails to return Trailing Equipment, Contractor agrees to reimburse Carrier for all reasonable expense, including attorneys' fees, incurred by Carrier in recovery of Trailing Equipment. Contractor agrees that if it is necessary for Carrier to enter upon Contractor's private property or move Contractor's private property in

order to recover Trailing Equipment, Contractor grants Carrier permission to do so. **Contractor agrees to defend, indemnify, and hold harmless Carrier (and Carrier's agents) from any form of liability whatsoever in connection with the repossession; such indemnity obligation will not be subject to the limits in Section 15.2 of this Agreement.**

14. Crashes, Accidents, Incidents, and Claims

Contractor must immediately report to Carrier any crash, collision of the Equipment with any vehicle, object or person, accident (whether or not defined as an "accident" or "preventable" under this Agreement), incident, potential or actual claim, bodily injuries, losses or damages (including to cargo and to any Trailing Equipment), shortages, over-weights, or overages involving Contractor's operations under this Agreement. If any such occurrence is not reported immediately to Carrier, Contractor: (i) will risk disqualification of Contractor's worker who failed to make the report and/or termination of this Agreement; and (ii) must, not subject to the indemnity limits in Section 15.2 of this Agreement, reimburse Carrier for all expense incurred as a result of the failure. Contractor's workers must cooperate fully with Carrier to ensure any required post-accident drug-and-alcohol testing is timely completed. In addition, Contractor's workers must cooperate fully with Carrier and Carrier's representatives and insurers (at Contractor's expense) with respect to any legal action, hearing, or other proceeding arising from the operation of the Equipment, the relationship created by this Agreement or the services performed hereunder, including provision of written reports or affidavits, attendance at hearings, and trials and assistance in securing evidence or obtaining the attendance of witnesses.

15. Indemnification by Contractor

15.1 In General

Contractor agrees to defend, indemnify, and hold harmless Carrier (and its affiliates, subsidiaries, officers, agents, and employees) from any direct, indirect, or consequential loss, damage, delay, fine, civil penalty, action, claim for injury or death to persons (including to Carrier's employees or agents), damage to property, environmental response or restoration expense, cargo loss or damage, loss of or damage to Trailing Equipment or Carrier's other real or personal property, injunctive obligations, or other expense that Carrier pays or otherwise incurs, including reasonable attorneys' fees and costs of litigation, arising out of or relating to any of Contractor's workers' negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions ("Carrier Damages"). Contractor authorizes Carrier to deduct or otherwise recover any amounts due to Carrier under this section. If any of Contractor's drivers operates the Equipment for any purpose other than the carriage of Carrier's lading, Contractor agrees to defend, indemnify, and hold harmless Carrier (and its affiliates, subsidiaries, officers, agents, and employees) from any Carrier Damages arising from that operation. This section will remain in full force and effect both during this Agreement and after its termination.

15.2 Liability Limiter Program

Contractor's indemnity obligation for Carrier Damages related to third-party personal injury and property damage is limited, if applicable, to the amount stated in the Deductions Table. Contractor's indemnity obligation for all other Carrier Damages is for the full amount incurred or otherwise claimed to be owed by Carrier. Notwithstanding anything to the con-

rary, if Contractor elects, by indicating such election in Section 6 of Appendix A, to participate in Carrier's Liability Limiter Program, Contractor's indemnity obligation for certain Carrier Damages is limited pursuant to Sections 15.2.1 and 15.2.2, as applicable. None of those dollar limits will apply to any liquidated damages owed to Carrier or to any Carrier Damages resulting from the operation of the Equipment not on behalf of Carrier. In addition, the indemnity limits stated in the Deductions Table will apply only to Contractor's indemnity obligation for Carrier Damages and will not limit in any way the losses, damages, attorneys' fees, or other expenses that Contractor may sustain as a result of an injured third party's assertion of a claim directly against Contractor. The indemnity limits provided for in this Section and stated in the Deductions Table shall not apply to the extent Carrier Damages arise out of or relate to any of Contractor's workers' gross negligence or willful misconduct (including but not limited to intentional torts).

15.2.1 Loss or Damage to Cargo

If Contractor elects to participate in the Liability Limiter Program for loss or damage to Cargo, Contractor authorizes Carrier to deduct or otherwise recover the regular cost stated in Section 6 of Appendix A and, with respect to claims of Carrier Damages comprised of cargo loss or damage, Contractor's indemnity obligation is limited to a maximum of \$1,000 per claim.

15.2.2 Loss or Damage to Trailing Equipment

If Contractor elects to participate in the Liability Limiter Program for loss or damage to Trailing Equipment, Contractor authorizes Carrier to deduct or otherwise recover the regular cost stated in Section 6 of Appendix A and, with respect to claims of Carrier Damages comprised of loss or damage to Trailing Equipment, Contractor's indemnity obligation is limited to a maximum of \$1,000 per claim.

15.3 Carrier's Coverages

Carrier has secured insurance coverages that may cover risks and liabilities for which Contractor has agreed to indemnify Carrier under this Agreement (for example, public liability insurance). Such policies are expressly for the benefit of Carrier and only incidentally may benefit Contractor. Terms of the policies may change (for example, higher or lower deductibles, length of coverage, UM/UIM waivers or limitations, or insurance underwriters). Contractor has neither any obligations under the policies nor any rights under their terms.

15.4 Claims by Contractor or Other Contractors

Notwithstanding Section 15.1 of this Agreement, and not subject to the limits of Section 15.2 of this Agreement, Contractor agrees to defend, indemnify, and hold harmless Carrier from: (i) any claim by Contractor for loss of or damage to the Equipment or Contractor's other property (and any related fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation) due to the negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions of any of Contractor's workers; and (ii) any claim by any other contractor of Carrier for loss of or damage to the other contractor's truck, tractor, trailer, or other property (and any related fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation) due to the negligence, gross negligence, willful

misconduct, material breach of this Agreement, or other culpable acts or omissions of any of Contractor's workers.

15.5 Reclassification

THE TERMS OF THIS AGREEMENT REFLECT THAT CONTRACTOR IS AN INDEPENDENT CONTRACTOR, NOT AN EMPLOYEE. THEREFORE: Notwithstanding Section 15.1 and not subject to the indemnity limits in Section 15.2 of this Agreement, Contractor agrees to defend, indemnify, and hold harmless Carrier from all reasonable attorneys' fees and litigation expenses Carrier incurs in defending against any claims, suits, actions, or administrative proceedings brought by Contractor or any of Contractor's workers alleging that Contractor or any of Contractor's workers is an employee of Carrier, but which ultimately, upon completion of all appeals or the running of all applicable appeal periods, fail to result in any final judicial or administrative decision holding the allegation to be true.

16. Indemnification by Carrier

16.1 In General

Carrier agrees to defend, indemnify, and hold harmless Contractor (and Contractor's affiliates, subsidiaries, officers, agents, and employees) from any claim (including any for which Contractor is covered by Carrier's insurance) of direct, indirect, or consequential loss, damage, delay, fine, civil penalty, or expense, including reasonable attorneys' fees and costs of litigation ("Contractor Damages") that Contractor pays or otherwise incurs arising out of or relating to Carrier's (including Carrier's agents' or employees') negligence, gross negligence, willful misconduct, material breach of this Agreement, or other culpable acts or omissions. This indemnity obligation will not apply to any claim of loss or damage to the Equipment or to Contractor's other property, or to any claim arising out of or relating to Contractor's workers' operation of the Equipment for any purpose other than the performance of Contractor's obligations under this Agreement. Carrier's indemnity obligations do not apply when the Equipment is being operated pursuant to an Addendum for Alternative Uses of Equipment. Contractor agrees to furnish Carrier with a written explanation and itemization of any claim for cargo or property damage. This section will remain in full force and effect both during and after the termination of this Agreement. Carrier will credit to Contractor's next Settlement Compensation any amounts due Contractor under this section.

16.2 Indemnity Limits

Carrier's indemnity obligation under Section 16.1 of this Agreement will be limited to a maximum of \$1,000 of the total amount in Contractor Damages that Contractor paid or otherwise incurred per occurrence, and in no event will Carrier's indemnity obligation under Section 16.1 of this Agreement exceed \$10,000 where multiple claims arise in combination out of any one occurrence.

17. Possession and Identification of Equipment

17.1 Exclusive Possession and Responsibility

Carrier shall have exclusive possession, control, and use of the Equipment, and shall assume complete responsibility for the operation of the Equipment for the duration of this Agreement. The foregoing declarations are made solely to conform to FMCSA regulations and may not be used for any other purposes, including any attempt to classify Contractor as an employee of Carrier. Nothing

in the provisions required by 49 C.F.R. § 376.12(c)(1) is intended to affect whether any of Contractor's workers is an independent contractor or an employee of Carrier. Solely because of the limitations of 49 C.F.R. §§ 376.12(c)(1) and (2), Contractor may operate the Equipment for another motor carrier or entity during this Agreement only with the prior written consent of Carrier.

17.2 Identification of Equipment

Before placing the Equipment in Carrier's service, Contractor agrees to apply such identification to the Equipment as Carrier may designate under Applicable Law, provided that Contractor must first remove any items that, in Carrier's reasonable judgment, would interfere with this identification or be offensive. Carrier may request Contractor to remove or otherwise remedy, and Contractor agrees to do so, identification or other related items on the Equipment which may be offensive to Carrier's Customers or the public and/or otherwise deter or distract from Carrier's identification devices. Contractor agrees to remove this identification at the termination of this Agreement, or while operating the Equipment for any purpose other than conducting Carrier's business. Contractor agrees to keep the Equipment in clean appearance and identified as described herein, at Contractor's expense. Contractor agrees to display its business name and address on the Equipment in a manner that is consistent with Applicable Law.

18. Alternative Uses of Equipment

Except as restricted by Applicable Law, nothing in this Agreement prohibits Contractor from providing transportation services for other motor carriers, brokers, directly for shippers, or any other person or entity, provided that Contractor complies with the requirements of 49 C.F.R. Part 376. For this purpose, Carrier has prepared an Addendum for Alternative Uses of Equipment, which is available upon request. If Contractor engages in an Alternative Use of Equipment (as defined in the Addendum for Alternative Uses of Equipment) without obtaining the required authorization from Carrier in advance, Contractor will have materially breached this Agreement. In that event, and in light of the administrative, claims-investigation, litigation-related, and other expenses Carrier may incur in the event of a highway accident occurring due such an unauthorized trip, Contractor agrees to pay Carrier liquidated damages in the amount stated in the Addendum for Alternative Uses of Equipment, in addition to the indemnity obligation Contractor agrees to owe Carrier under this Agreement. In addition, Carrier may, at its option, immediately terminate this Agreement on account of such breach.

19. Contractor Not Employee of Carrier

19.1 In General

This Agreement is between two independent businesses that are separately owned and operated. It is expressly understood and agreed that Contractor is an independent contractor for the Equipment and driver services provided under this Agreement. Contractor agrees to provide necessary documentation and apply for certification of Contractor's independent contractor status where mandated by Applicable Law.

19.2 Equipment, Maintenance, and Routes

Subject only to Applicable Law, it will be the sole responsibility of Contractor to: (i) select, purchase or lease, and finance the Equipment; (ii) to decide when, where, and how maintenance and repairs are to be performed; and (iii) to select all routes and decide all meal, rest, and refueling stops, provided that to meet Carrier's Customers' demands, Contractor agrees to make timely and safe

deliveries of all loads, and to notify Carrier when delivery has been made or will be delayed for any reason.

19.3 Contractor's Workers

Subject only to Applicable Law and safety considerations, Contractor assumes full control and responsibility for the selection, training, hiring, setting of grooming and dress standards, disciplining, discharging, setting of hours, meal and rest breaks, wages, and salaries, providing for unemployment insurance, state and federal taxes, fringe benefits, coverage of worker injuries, adjustment of grievances, all acts and omissions, and all other matters relating to or arising out of or relating to Contractor's use or employment of drivers, drivers' helpers, and other workers to perform any aspect of this Agreement. In addition, Contractor agrees to be solely responsible for complying with Applicable Law governing the terms and conditions of employment of Contractor's employees or applicants for employment, including, without limitation, compliance with the Federal Fair Credit Reporting Act; verification of immigration and naturalization status; proof of proper taxpayer identification number; proof of payment of income; unemployment; Medicare and other state and federal payroll taxes; and other required withholdings for Contractor's employees. If Contractor obtains any of the Equipment from a third party that is not exempt from 49 C.F.R. Part 376, Contractor will ensure that such third party receives all of the rights and benefits due under 49 C.F.R. Part 376 pursuant to 49 C.F.R. § 376.12(m), and Contractor will provide Carrier with a copy of any agreement Contractor enters into for the purpose of satisfying this obligation.

19.4 Taxes

Contractor is free to choose the form in which to operate Contractor's business. Contractor agrees to file all tax forms and returns that Contractor may be required by law to file, on account of Contractor's workers used in the performance of this Agreement, and to pay when due all taxes and contributions reported in the forms and returns. In that regard, Contractor knows: (i) of Contractor's responsibilities to pay estimated social security taxes and state and federal income taxes with respect to remuneration received from Carrier; (ii) that the social security tax Contractor must pay is higher than the social security tax the individual would pay if he or she were an employee; and (iii) that the service provided by Contractor to Carrier under this Agreement is not work covered by the unemployment compensation laws of any State, including Georgia; provided, however, that should Contractor employ or use drivers, helpers, or other workers to fulfill Contractor's obligations under this Agreement, and the drivers, helpers, or other workers are covered by the unemployment laws of any State, including Georgia, Contractor is solely responsible for providing unemployment insurance for the drivers, helpers, or other workers. Contractor agrees to furnish Carrier such evidence of compliance with the foregoing as Carrier may reasonably require, including but not limited to proof of income and payroll taxes currently paid by Contractor or withheld by Contractor from the wages of Contractor's workers. Carrier will file a Form 1099 with the Internal Revenue Service with respect to Contractor as required by Applicable Law.

20. The Parties' Obligations Upon Reclassification

If any of Contractor's workers is determined to be an employee of Carrier by any governmental authority, whether directly or as a joint employer ("Reclassification Decision"), either party may, at its election, rescind this Agreement back to the time of its formation, and both parties would then be returned to their respective positions before it was signed. If either party makes that election, the following terms apply when the Reclassification Decision becomes final:

20.1 Contractor's Obligations

Contractor will: (i) owe Carrier, for the period of time this Agreement was in effect, all gross compensation (as defined in Section 3 of this Agreement) previously paid to Contractor by Carrier, less any deductions under Section 5 of this Agreement; (ii) relinquish all rights in any balances in escrow funds then under Carrier administration that are traceable to compensation previously paid to Contractor by Carrier; and (iii) owe Carrier any cash advances provided by Carrier to Contractor that Contractor used for personal, household, or other expenses not in performance of Contractor's obligations under this Agreement or that Contractor retained unspent. Contractor will be entitled to deduct from these amounts any expenses Contractor incurred in performance of Contractor's obligations under this Agreement that were not covered by chargebacks or paid by Carrier.

20.2 Carrier's Obligations

Carrier will owe Contractor, for all work activities during the period of time this Agreement was in effect (including any activities for which Carrier has not yet paid Contractor), only the then-applicable "hourly mean wage" for Occupation Code 53-3032 for Texas, as published by the Bureau of Labor Statistics of the U.S. Department of Labor (or, if higher, the federal minimum hourly wage or a state's then-applicable minimum hourly wage but only to the extent Contractor's wage-earning activities occurred in that state), multiplied by Contractor's total hours spent actually performing on-duty work for Carrier, consisting of both driving and non-driving time, under any applicable hours-of-service regulations. The total hours worked will be computed based on any relevant, reliable evidence, which may include Settlement Statements, driver logs, shipment-tracking data, bills of lading, fuel receipts, and toll receipts.

20.3 Option to Terminate

Because reclassification of Contractor or any of its workers as an employee of Carrier would fundamentally change the parties' assumptions and expectations, either party may, upon issuance of a Reclassification Decision, terminate this Agreement on 1 day's notice to the other.

20.4 Survival

The provisions of this section will survive both the rescission and the termination of this Agreement.

21. Completion of Performance

If Contractor's acts or omissions related to a shipment—including but not limited to the failure to complete delivery or abandonment of freight or Trailing Equipment—subject Carrier to liability, Carrier may take possession of the shipment and complete performance. In that event, Contractor waives any recourse against Carrier for the action. Contractor authorizes Carrier to deduct or otherwise recover from gross compensation all direct or indirect costs, expenses, or damages, including attorneys' fees, incurred by Carrier as a result of Carrier's taking possession of the shipment and completing performance.

22. Contractor Not Required to Purchase or Rent Products, Equipment, or Services

Contractor is not required to purchase or rent any products, equipment, or services from Carrier as a condition of entering into this Agreement. The terms of any contract under which Contractor elects any transaction that gives Carrier the right to make deductions from Contractor's settlement will be specified in an Appendix or Addendum to this Agreement.

23. Passenger Authorization

As required by 49 C.F.R. § 392.60, and subject to Customer Specifications, Carrier's safety-related policies and applicable safety rules and regulations pertaining to work sites, Contractor agrees not to allow any passengers to ride in the Equipment without authorization in writing by Carrier, which will be given only if: (i) all of Contractor's workers and the passenger submit to Carrier a fully executed Passenger Authorization and Release of Liability form; and (ii) Contractor furnishes Carrier a Certificate of Insurance for passenger-liability coverage with limits acceptable to Carrier, in Carrier's sole reasonable discretion. Contractor agrees not to permit any passenger to operate or be in charge of the Equipment at any time for any purpose whatsoever, or to be outside the cab during loading or unloading.

24. Loading and Unloading

If the shipper or consignee does not assume loading and unloading responsibilities, Contractor agrees to be responsible for the loading or unloading of property transported on behalf of Carrier at Contractor's expense and with no additional compensation for those services, unless otherwise indicated in Appendix A.

25. Confidentiality and Trade Secrets

25.1 Protection of Confidential Matters

Contractor acknowledges that any list of Carrier's Customers is a valuable, special, and unique asset of the business of Carrier. Contractor agrees that during and after the term of this Agreement Contractor's workers: (i) will not disclose the list of Carrier's Customers or any part thereof to any third party for any reason without Carrier's prior written consent; (ii) will preserve as "Confidential Matters" all trade secrets, know how and information relating to Carrier's business, forms, processes, developments, sales and promotional systems, prices and operations, which information may be obtained from tariffs, contracts, freight bills, letters, reports, disclosures, reproductions, books, records, or other contractors, and other sources of any kind resulting from this Agreement; and (iii) will regard the Confidential Matters as the sole property of Carrier, and will not publish, disclose or disseminate the same to others without the written consent of Carrier. In the event of any material breach or threatened material breach by any of Contractor's workers of this section, Carrier will be entitled to an injunction, restraining Contractor's workers from disclosing, in whole or in part, the list of Carrier's Customers, and all other Confidential Matters. Carrier will be irreparably damaged in the event of any material breach of this provision by Contractor. Accordingly, in addition to any other legal or equitable remedies that may be available to Carrier, Contractor agrees that Carrier will be able to seek and obtain immediate injunctive relief in the form of a temporary restraining order without notice, preliminary injunction, or permanent injunction against Contractor's workers to enforce this confidentiality provision and that Carrier will not be required to post any bond or other security and will not be required to demonstrate any actual injury or damage to obtain injunctive relief from the courts. Nothing in this section should be construed as prohibiting Carrier from pursuing any remedies available to Carrier at law or in equity for the material breach, including the recovery of monetary damages from Contractor.

25.2 Notice Required by 18 U.S.C. § 1833(b)(3)

To the extent the Confidential Matters constitute "trade secrets" under 18 U.S.C. § 1839(3), Carrier provides the following notice to Contractor pursuant to 18 U.S.C. § 1833(b)(3): An individual shall not be held criminally or civilly liable under any Federal or State

trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

26. Benefit and Assignment

This Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective successors. Contractor may not assign or subcontract any obligations to another party without the prior written consent of Carrier, though Contractor remains free to engage workers to perform services under this Agreement. Carrier may assign or subcontract this Agreement or any rights or obligations hereunder without the prior written consent of Contractor.

27. Notices

All notices must be in writing (unless permitted elsewhere in this Agreement to be oral) and will be deemed to have been fully given: (i) upon delivery if delivered in person, by facsimile transmission, or electronic means; (ii) on the next day after being deposited with an overnight delivery company with the express charges prepaid; or (iii) on the date indicated on the return receipt, or if there is no receipt, on the third day after being deposited in the United States Mail with first-class postage prepaid. The parties agree to be under a continuing duty to provide written notice to each other regarding changes to any of the contact information appearing in the signature block after the main text of this Agreement.

28. Governing Law, Dispute Resolution and Related Waiver

28.1 Governing Law and Dispute Resolution

THIS AGREEMENT, AS WELL AS ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT, OR WITH RESPECT TO ANY ASPECT OF THE RELATIONSHIP BETWEEN THE PARTIES, WILL BE GOVERNED BY THE LAWS OF THE UNITED STATES AND OF TEXAS, WITHOUT REGARD TO THE CHOICE-OF-LAW RULES OF THAT OR ANY OTHER JURISDICTION. THE PARTIES AGREE THAT ANY CLAIM OR DISPUTE ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT, OR WITH RESPECT TO ANY ASPECT OF THE RELATIONSHIP BETWEEN THE PARTIES, WHETHER UNDER FEDERAL, STATE, LOCAL, OR FOREIGN LAW (INCLUDING BUT NOT LIMITED TO 49 C.F.R. PART 376), MUST BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS SERVING PARIS COUNTY, TEXAS.

28.2 Waiver

CONTRACTOR AND CONTRACTOR'S WORKERS WAIVE ANY RIGHT TO INITIATE, JOIN (I.E., OPT IN TO), REMAIN IN (I.E., NOT OPT OUT OF), OR OTHERWISE PARTICIPATE IN ANY CLASS ACTION, COLLECTIVE ACTION, CONSOLIDATED ACTION, OR REPRESENTATIVE ACTION BROUGHT AGAINST CARRIER, INCLUDING BUT NOT LIMITED TO SUCH ACTIONS BROUGHT UNDER STATE OR FEDERAL LAW AND THOSE ARISING UNDER THE FAIR LABOR STANDARDS ACT.

29. Miscellaneous Provisions

29.1 General

The subject headings of this Agreement are included for convenience only and must not affect the construction or interpretation of any of its provisions. All dollar amounts are based on U.S. Dollars. Unless otherwise specified, all references to "days" mean calendar days. This Agreement may be executed in counterparts.

29.2 Severability

If any provision (including any sentence or part of a sentence) of this Agreement is deemed invalid for any reason, this Agreement will be void only as to that provision, and this Agreement will remain otherwise binding between the parties. Any provision deemed voided will be replaced with provisions that will be as close to the parties' intent as permissible.

29.3 Waiver

A waiver of any provision of this Agreement will not constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver. No waiver will be deemed effective or binding unless executed in writing by the party making the waiver. The failure or refusal of a party to insist upon the strict performance of any provision of this Agreement, or to exercise any right under this Agreement, will not be construed as a waiver of the provision or right, nor will the failure or refusal be deemed a customary practice contrary to the provision or right. The rights and remedies of Carrier under this Agreement or under Applicable Law are cumulative, and the exercise of any of them will not be exclusive of any other right or remedy provided by this Agreement or allowed under Applicable Law.

29.4 No Third-Party Beneficiaries

Nothing in this Agreement creates any rights in any party not a signatory to or expressly designated as a third-party beneficiary herein.

29.5 Completeness and Amendments

This Agreement constitutes the entire agreement between Carrier and Contractor pertaining to the subject matter contained herein and fully replaces and supersedes all prior and contemporaneous agreements, representations, and understandings, except as provided in Section 29.6 of this Agreement. No modification or amendment to this Agreement is binding unless in writing and signed by both Carrier and Contractor, except as otherwise provided in Sections 5.3 and 7.7 of this Agreement.

29.6 Credits and Debits under Previous Agreements

Balances in escrow funds created under any previous written agreement between the parties will be credited to the Escrow Fund created under this Agreement (if any). All compensation and other amounts due Contractor from Carrier, and all advances and other amounts due Carrier from Contractor, under the previous agreement, will remain due and payable. The amounts of compensation for trips started, and the amounts of advances and other amounts due Carrier, before the Effective Date of this Agreement will be determined by the previous agreement, the payment procedures will be determined by this Agreement, and the payment timing will be determined by the predecessor agreement or this Agreement, whichever requires payment earlier.

29.7 Copies and Statement of Lease

Carrier will keep the original of this Agreement, and Contractor agrees to keep a copy as well. Contractor also agrees that this

Agreement or a Statement of Lease in the form appended hereto will be carried on the Equipment during the term of this Agreement.

29.8 Survival

If, up to and including the date of termination of this Agreement, one or more events occur that give rise, before or after that date, to a liability or entitlement of Contractor or Carrier under this Agreement, the liability or entitlement will continue until it is satisfied in full, notwithstanding the termination of this Agreement. Contractor's obligations include, but are not limited to, completing performance in the event of termination.

29.9 Consent to Do Business by Electronic Methods

Carrier and Contractor consent to do business using any electronic method permitted by FMCSA. This consent includes, but is not limited to, the use of electronic methods to effect and transmit the

signature of any document, including this Agreement and any supplement, modification, addendum, amendment, notice, consent and/or waiver required by this Agreement, or any other document required by FMCSA regulations to be generated and maintained (or exchanged by private parties). The parties agree that when either party uses any electronic method to accomplish electronic signatures, the chosen method: (i) identifies and authenticates the sender as the source of the electronic communication; (ii) indicates the sender's approval of the information contained in the electronic communication; and (iii) produces an electronic document with the same integrity, accuracy, and accessibility as a paper document or handwritten signature. Either party may elect to use a handwritten signature with respect to any document, provided that the election will not preclude the other party from using an electronic signature to the same document.

NOTICE: THIS IS A BINDING LEGAL DOCUMENT. The parties acknowledge that each has the right and opportunity to fully review the Agreement prior to signing and, if each so elects, seek the assistance of legal counsel of its own choosing. By signing this Agreement, Contractor (i) represents it has read this Agreement; (ii) has sought and received the advice of an attorney or, if not, has chosen not to do so; and (iii) is entering into this Agreement freely, voluntarily, and without duress, undue influence, coercion, or promise of any benefit not specifically described in this Agreement.

AVISO: ESTE ES UN DOCUMENTO LEGAL VINCULANTE. Las partes reconocen que cada una tiene el derecho y la oportunidad de revisar por completo este Acuerdo antes de firmarlo, y si desea, buscar la asistencia de un consejero legal de su elección. Al firmar este Acuerdo, Contratista (i) representa que ha leído este Acuerdo; (ii) ha buscado y recibido asesoría legal de un abogado, y si no, es porque ha escogido no hacerlo; y (iii) esta entrando a este Acuerdo libremente, voluntariamente y sin coacción, influencia indebida, coerción o promesa de algún beneficio no específicamente descrito en este Acuerdo.

This Agreement begins at 12:01 a.m. Central Time on the later of the two dates in the signature block below ("Effective Date") and ends at 11:59 p.m. Central Time on the earlier of the two dates in the signature block below ("Termination Date").

INFORMATION ONLY

By signing below, Contractor acknowledges that, as reflected in this Agreement:

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

Carrier: Service Transport Company
U.S. DOT No. 0229662
MC No. 167776

Contractor: _____

EIN No.: _____

By: _____
Signature

By: _____
Signature

Name (Printed)

Name (Printed)

Title

Title

Corporate Office
7979 Alameda Genoa Rd
Houston, Texas 77075



Office: (713) 209-2500
Fax: (713) 422-2314
Email: LOGroup@svtn.com

City, State, and Zip Code

Terminal

Phone Number

Address (Street, P.O. Box, etc.)

Email Address

City, State, and Zip Code

Date

Phone Number

Date

RECEIPT FOR POSSESSION OF EQUIPMENT

Carrier has received from Contractor and taken possession of the following Equipment described in this Agreement:

Equipment Type	Year	Make	VIN	Unit #	IC Driver	Terminal

INFORMATION ONLY

This Equipment was received by Carrier at 00:00 on _____.

CARRIER:

**Service Transport Company
U.S. DOT No. 0229662
MC No. 167776**

CONTRACTOR:

Signature

Name (Printed)

APPENDIX A

1. Equipment List

Equipment Type	Year	Make	VIN	Unit #	IC Driver	Terminal
INFORMATION ONLY						

2. Gross Compensation

Pursuant to Section 3 of this Agreement, Carrier will pay Contractor gross compensation, comprising Base Compensation and Additional Compensation, as described in this section.

2.1 Base Compensation

Carrier will pay 67% of AGR (as defined in Section 3.2 of this Agreement). For each shipment relayed with another contractor or contractor's driver, as well as for loading/unloading not performed by Contractor's driver, which occurs greater than 30 miles from terminal, Contractor shall be compensated based on this Base Compensation, but prorated based on the loaded miles (measured pursuant to Section 3.2 of the Agreement) actually performed by Contractor's driver.

2.2 Additional Compensation

2.2.1 Accessorial Compensation

Carrier will pay Contractor accessorial compensation set forth in Schedule 1 to Appendix A as applicable to services provided by Contractor and Contractor's drivers pursuant to this Agreement.

3. Base Plate

Contractor must elect ONE of the following options pursuant to Section 10.5 of this Agreement.

- _____ **OPTION 1** Contractor will obtain plate(s) for the Equipment.
- _____ **OPTION 2** Carrier will obtain apportioned plate(s) under the International Registration Plan or state-only plate(s) for the Equipment (whichever is applicable) and deduct or otherwise recover the amount stated in the Deductions Table.

4. Fuel and Mileage Tax Reporting

Contractor must elect ONE of the following options pursuant to Section 10.7 of this Agreement.

- _____ **OPTION 1** Contractor will obtain and pay any required fee for IFTA permits and will perform all fuel and mileage tax reporting with respect to the Equipment at Contractor's expense.
- _____ **OPTION 2** Carrier will obtain and pay any required fee for the IFTA permit and will perform all fuel and mileage tax reporting services with respect to the Equipment.

5. Deductions Table

Pursuant to Section 5 of this Agreement, Contractor authorizes Carrier to deduct or recover the items in the Deductions Table below. Where no dollar figure is listed, the deductions will vary in amount and will be computed as indicated. As used in this Agreement, "Carrier Markup" means any amount that exceeds the actual cost incurred by Carrier, whether such excess amount is retained by Carrier to offset administrative costs, as profit, or for any other purpose.

CHARGE-BACK OR OTHER DEDUCTION ITEM	AMOUNT OR METHOD OF COMPUTATION OF DEDUCTION
Adjustments to compensation	See Section 3.5 of this Agreement.
Express check	If Contractor elects, with Carrier's prior written consent, to use an Express check to pay any of Contractor's expenses under this Agreement, Carrier will charge back the amount advanced, plus a per-transaction fee of \$5.00 (comprising both the fee charged by issuer of the advance checks and a Carrier Markup).
Advances of Contractor's compensation loaded onto Carrier's Comdata Card for Contractor's use to purchase only fuel, additives, lubricants, and, subject to Carrier approval, maintenance and repairs for the Equipment	Amount Carrier advanced to Contractor (loaded onto the Comdata Card) on Contractor's request, plus a per-transaction fee of \$5.00 (comprising both a fee charged by issuer of the Comdata Card and a Carrier Markup). If Carrier receives any discount, rebates, or credits on Contractor's use of the Comdata Card, Carrier will retain such discounts and rebates as a Carrier Markup.
Base Plate(s)	If Contractor elects Carrier to obtain an apportioned plate under the International Registration Plan or a state-only plate for the Equipment (whichever is applicable), Carrier will deduct or otherwise recover the annual estimated amount Carrier will owe the issuing jurisdiction for the plate, computed on the basis of the monthly cost (determined by dividing the total cost of the plate by 12 months), which will be adjusted to match the actual amount billed to Carrier.
Claims for Carrier Damages and other indemnity obligations owed by Contractor to Carrier under this Agreement	<p>For each claim for Carrier Damages (as defined in Section 15.1 of this Agreement), the amount of Carrier Damages that Carrier paid or otherwise incurred, subject to the following limits (only if applicable under Section 15.2 of this Agreement):</p> <ol style="list-style-type: none"> 1. No limit for Carrier Damages related to bodily injury, property damage, or environmental restoration. 2. No limit for Carrier Damages related to cargo loss or damage; provided, however, if Contractor elects to participate in Carrier's Liability Limiter Program: \$1,000 for Carrier Damages related to cargo loss or damage. 3. No limit for Carrier Damages related to loss of or damage to Trailing Equipment; provided, however, if Contractor elects to participate in Carrier's Liability Limiter Program: \$1,000 for Carrier Damages related to loss of or damage to Trailing Equipment. <p>For other indemnity obligations owed by Contractor to Carrier under this Agreement, the amount stated in the applicable provision.</p>
Detention, accessorial, and other Customer-charge revenue not collected by Carrier from Carrier's Customer because of Contractor's failure to transmit to Carrier the necessary documentation supplied by the Customer	Amount Carrier was unable to collect from Carrier's Customer as a result of Contractor's failure to transmit to Carrier the necessary documentation supplied by Carrier's Customer, provided that no charge back will be made if Contractor contacted Carrier's dispatch regarding issue prior to departure from Carrier's Customer (consignor or consignee) location
ELD charges for loss of or damage to ELD	Amount paid to third-party vendor or otherwise incurred by Carrier
Equipment lease charges	See Addendum for Equipment Lease Charges
Escort fee pursuant to Section 9.2 of this Agreement	Amount Carrier paid to escort

CHARGE-BACK OR OTHER DEDUCTION ITEM	AMOUNT OR METHOD OF COMPUTATION OF DEDUCTION
Escrow Fund	Principal Amount: \$3,000.00 , to be deducted, under Section 8.1 of this Agreement, at 10% of weekly or monthly gross settlement pursuant to Section 3 of this Agreement and Appendix A.
Event Recorder charges for loss of or damage to Event Recorder	Amount paid to third-party vendor or otherwise incurred by Carrier
Express mail, U.S. First Class Mail, or other package delivery services if Contractor charges them to Carrier's account with the delivery service vendor	Amount Carrier paid to U.S. Postal Service or other third-party vendor
Fines and penalties, including traffic tickets and related court costs, attorneys' fees, and other legal expenses, pursuant to Sections 10.3 and 10.4 of this Agreement	Amount Carrier paid or otherwise incurred
Fuel and oil purchases that Contractor elects to make at Carrier's fuel facility, or using a Comdata Card	<ol style="list-style-type: none"> 1. For fuel and oil purchases that Contractor elects to make at Carrier's fuel facility, Carrier will deduct the amount Carrier paid the third-party fuel vendor, plus Carrier Markups resulting in prices that will be provided to Contractor at the time Contractor places order. 2. For fuel and oil purchases that Contractor elects to make from third-party fuel vendors using the Comdata Card, Carrier will deduct (and show on Contractor's Settlement Statement) or otherwise recover an amount computed by multiplying the number of gallons or other units purchased by a price no greater than the price-per-unit posted at the fuel vendor's facility. The amount deducted, if less than the posted price, is the result of Carrier sharing with Contractor of the overall discount Carrier has negotiated with the fuel vendor or Comdata Card issuer. Carrier will retain the remainder of that discount, plus any other discounts or rebates it receives.
Garnishment orders	Amount Carrier paid in compliance with any lawfully issued order or lien, a copy of which Carrier will supply to Contractor at or before the first deduction relating to it, plus a Carrier Markup in the amount authorized by Applicable Law. After termination of, but not during, this Agreement, Carrier will deduct from Contractor's Escrow Fund (after all deductions authorized by this Deductions Table) the portion of any garnishment or lien amount due that exceeds the balance in Contractor's Settlement Compensation.
Insurance coverages	See the Certificate of Insurance in this Appendix.
Liability Limiter Program participation costs	Amounts stated in Section 6 of this Appendix, as applicable
Loading/Unloading Services not performed by Contractor's driver	\$80.00 per shipment where loading/unloading occurs within 30 miles of the original terminal location, not including trailer-spotting at a Customer facility or to any unit of Equipment receiving or transferring relay services
Loan payments if Contractor elects with Carrier's consent, to borrow an amount from Carrier to cover cost of maintenance, repairs, or other expenses	Weekly payments based on principal and interest as reflected in an Addendum for Loan and Promissory Note

CHARGE-BACK OR OTHER DEDUCTION ITEM	AMOUNT OR METHOD OF COMPUTATION OF DEDUCTION
Maintenance, repairs, parts, and replacement tires for Equipment if Contractor elects, and Carrier agrees, to have Carrier advance funds for the purchase	Amount Carrier paid to third-party vendor or, if Contractor elects to obtain products or services from Carrier's affiliated maintenance and parts vendor, the amount Carrier incurred for parts and labor, plus markups resulting in prices which will be provided to Contractor at the time Contractor places order. If Contractor elects to pay the third-party vendor directly, using an Express check, see "Express Check" row in the Deductions Table.
Motel charges	Amount Carrier paid to third-party vendor
Operating expenses not otherwise listed in this Deductions Table which are the responsibility of Contractor under this Agreement and which Contractor requests that Carrier pay initially on Contractor's behalf.	Amount Carrier paid or otherwise incurred
Performance completion charges under Section 21 of this Agreement for Carrier's cost of completing a shipment or other assignment Contractor undertakes but does not complete for any reason (including Contractor's dropping a load at a facility Carrier operates or utilizes rather than at the consignee's location)	Amount Carrier paid or otherwise incurred under Section 21 of this Agreement. If non-completion is excusable in Carrier's reasonable judgment, compensation will be paid to Contractor for the portion of the trip Contractor successfully completed.
Short-Term Tractor Rental if Contractor elects to rent, through Carrier, a substitute tractor	See Addendum for Short-Term Tractor Rental
Termination-related expenses pursuant to Section 2.3 of this Agreement	Amount Carrier paid or otherwise incurred if repairs or other services are performed by a third-party vendor. If repairs or other services are performed by Carrier, the amount Carrier incurred for parts and labor plus a mark-up, resulting in prices which will be provided to Contractor immediately after Carrier completes the work competitive with other vendors in the relevant market(s).
Tolls for highways, bridges, tunnels, ferries, and other facilities	Amount Carrier paid to toll authority
Transponder replacement if lost, stolen, or damaged by Contractor	\$100.00 per device
Travel cost (bus, air, taxi, or other passenger fares) if Contractor needs to travel due to an accident or on other Carrier-approved trips	Amount Carrier paid to third-party vendor
Truck washes if Contractor uses Carrier's account	Amount Carrier paid to third-party vendor
Uniforms if Contractor elects to order through Carrier	Amount Carrier paid to third-party vendor

6. Tolls for highways, bridges, tunnels, ferries, and other facilities

Contractor must elect ONE of the following options pursuant to Section 10.1 of this Agreement.

- _____ **OPTION 1** Contractor will obtain and pay any fee for Tolls and Toll Transponders.
- _____ **OPTION 2** Contractor elects for Carrier to purchase, provide and pay for Toll Transponder and authorize Carrier to deduct or otherwise recover from gross compensation the participation cost of \$8.00 per month plus any tolls accrued.

7. Liability Limiter Program

Loss or Damage to Cargo:

- _____ **OPTION 1** Contractor elects NOT to participate in the Liability Limiter Program and understands Contractor's indemnity obligation pursuant to Section 15 of this Agreement is for the full amount of Carrier Damages pertaining to cargo loss or damage.
- _____ **OPTION 2** Contractor elects to participate in the Liability Limiter Program and authorizes Carrier to deduct or otherwise recover from gross compensation the participation cost of \$5.00 per week or \$20.00 per month.

Loss or Damage to Trailing Equipment:

- _____ **OPTION 1** Contractor elects NOT to participate in the Liability Limiter Program and understands Contractor's indemnity obligation pursuant to Section 15 of this Agreement is for the full amount of Carrier Damages pertaining to loss or damage to Trailing Equipment.
- _____ **OPTION 2** Contractor elects to participate in the Liability Limiter Program and authorizes Carrier to deduct or otherwise recover from gross compensation the participation cost of \$13.00 per week or \$52.00 per month.

8. Insurance

8.1 Insurance Limits, Deductibles, and Other Specifics

8.1.1 Carrier's Public Liability Insurance

Carrier will maintain either: (i) commercial public liability insurance that has a combined single limit of not less than the dollar amounts required by 49 U.S.C. § 13906 and FMCSA regulations promulgated thereunder, with a deductible or self-insured retention of \$1,000,000 or (ii) a public liability self-insurance program approved by FMCSA.

8.1.2 Carrier's Cargo Insurance

Carrier will maintain either: (i) commercial cargo insurance that has a limit of not less than \$1,000,000 per occurrence, with a deductible or self-insured retention of \$5,000 or (ii) a cargo self-insurance program.

8.1.3 Contractor's Non-Trucking Liability Insurance

Contractor's non-trucking liability insurance will have a minimum combined single limit of not less than \$1,000,000 for injury or death to any person or for damages to property in any one occurrence with a deductible no greater than \$5,000.

8.1.4 Contractor's Work-Injury Insurance

If workers' compensation insurance is required by Section 7.1.1 of this Agreement, such insurance will provide principal coverage in Texas. If occupational accident insurance is permitted under Section 7.1.2 of this Agreement, such coverage must have a minimum combined single limit of not less than \$1,000,000 and a deductible of no greater than \$5,000.

8.1.5 Contractor's Other Insurance.

The state in which Carrier's insurance policies are delivered and under whose law Contractor, pursuant to Section 7.3 of this Agreement, authorizes Carrier to waive, reject, or reduce no-fault, uninsured, and underinsured motorist coverage from those policies is Texas.

8.2 Certificate of Insurance

Contractor requests that Carrier facilitate on Contractor's behalf the insurance coverages Contractor has selected by placing Contractor's initials on the "Yes" line in the right-hand column below (titled "Election"):

Please refer to section 8.1.3

Non-Trucking Liability Insurance

Name of Insurer: Great American Insurance Group

Policy No: GTP3095814

Effective Date(s): From the Effective Date of this Agreement through the next succeeding October 1, 2022, and each subsequent annual renewal period.

Amount of Coverage: \$1,000,000 combined single limit per occurrence. For more details regarding coverage, see insurance policy.

Cost to Contractor: \$40.00 per unit of Equipment per month

Deductible: \$5,000 per occurrence

UNIT # _____	YES / NO
UNIT # _____	YES / NO

If elected no, Non-Trucking Liability Insurance must be provided upon signing contract.

Please refer to section 8.1.4

Occupational Accident Insurance

AVAILABLE ONLY IN ACCORDANCE WITH SECTION 7.1 OF THIS AGREEMENT

Name of Insurer: Great American Insurance Group

Policy No:

Effective Date(s): From the Effective Date of this Agreement through the next succeeding October 1, 2022, and each subsequent annual renewal period.

Amount of Coverage: \$1,000,000 combined single limit per Occupational Accident. Contractor should examine full materials from insurer to view all limits, including those for Non-Occupational Accident Benefits. For more details regarding coverage, see insurance policy.

Cost to Contractor: \$160 per driver per month

Deductible: Varies per incident

UNIT #_____	YES / NO
UNIT #_____	YES / NO

If elected no, Non-Trucking Liability Insurance must be provided upon signing contract.

Please refer to section 8.1.5

Physical Damage Insurance on Tractor

Name of Insurer: Great American Insurance Group

Policy No: GTP3095814

Effective Date(s): From the Effective Date of this Agreement through the next succeeding October 1, 2022, and each subsequent annual renewal period.

Amount of Coverage: Contractor-specified value of truck below. In the event of a "loss" as defined in the policy, the policy will, unless its terms provide otherwise, pay the lesser of: (i) actual cash value (defined as the cost to replace with new vehicle of like kind and quality less depreciation for age, mileage, and physical condition) of truck at time of loss; or (ii) the cost to repair truck. For more details regarding coverage, see insurance policy.

Cost to Contractor: 4.31% annually, billed weekly, of Contractor-specified value of Equipment

Deductible: \$1,000 per occurrence

UNIT # _____	Vehicle Cash Value: \$ _____	YES / NO
UNIT # _____	Vehicle Cash Value: \$ _____	YES / NO

This **Appendix A** is agreed to by the undersigned parties on the latest date set forth below.

Carrier: Service Transport Company
U.S. DOT No. 0229662
MC No. 167776

Contractor: _____
EIN No.: _____

By: _____
Signature

By: _____
Signature

Name (Printed)

Name (Printed)

Title

Title

Corporate Office
7979 Almeda Genoa Rd
Houston, Texas 77075

Office: (713) 209-2500
Fax: (713) 422-2314
Email: LOGroup@svtn.com



Address (Street, P.O. Box, etc.)

City, State, and Zip Code

Terminal

Phone Number

Address (Street, P.O. Box, etc.)

Email Address

City, State, and Zip Code

Date

Phone Number

Date

SCHEDULE 1 TO APPENDIX A

ACCESSORIAL COMPENSATION	AMOUNT
Air Compressor	\$35.00 FLAT
Blower Charge	\$35.00 FLAT
Drumming Nozzle	\$35.00 FLAT
Pump	\$35.00 FLAT
In-transit Heat	\$105.00 FLAT
Temperature Monitoring	\$85.00 FLAT
Border-Crossing Fee	\$35.00 FLAT
Stop Off	\$100.00 FLAT
Detention Steaming (this compensation does not apply to any late performance of services (e.g., loading/unloading) that Carrier is not able to bill to Carrier's Customer)	67% of amount Carrier bills to Carrier's Customer, provided Contractor submits to Carrier (i) a record of all times, activities, and purposes for any delay, as applicable, related to such shipment(s), and (ii) a signed shipping document (or, if not signed, confirmation that Customer refused to sign), as required by Carrier's Customer
Layover	Where Carrier is able to bill layover costs to Carrier's Customer: 67% of amount Carrier bills to Carrier's Customer If Carrier is not able to bill layover costs to Carrier's Customer: \$125 FLAT after the first 12 hours of layover, plus \$125 per additional 12 hours of layover thereafter, applicable only if layover is requested by Carrier (and accepted by Contractor) in order to meet Customer Specifications. This compensation does not apply to the extent Contractor arrives at drop-off early and/or to any second stop-off
Breakdown Pay	If equipment breakdown results due to Carrier's fault, \$25.00 per hour, for the next 3 hours, starting after the first 3 hours of breakdown (the first 3 hours are not compensated). Thereafter (i.e., after the first 6 hours), \$25.00 for every 3 hours, up to 12 hours maximum.
Out-of-Route	For approved out-of-route miles, measured pursuant to Section 3.2 of the Agreement: <ul style="list-style-type: none"> • 0 – 25 miles - \$60 FLAT • 26 – 50 miles - \$80 FLAT • 51 – 100 miles - \$100 FLAT • 111 - 150 miles, \$120 FLAT • After 150 miles, \$1.25 per mile
Pre-Load	For approved pre-loading miles, measured pursuant to Section 3.2 of the Agreement: <ul style="list-style-type: none"> • 0 – 25 miles - \$80 FLAT • 26 – 50 miles - \$140 FLAT • 51 – 100 miles - \$200 FLAT • 111 - 150 miles, \$260 FLAT

STATEMENT OF LEASE

Contractor, _____, and the undersigned carrier ("Carrier") have entered into an Independent Contractor Operating Agreement ("Agreement") effective on _____. The Equipment identified below is being operated by Carrier. Contractor is the Equipment's "owner" under 49 C.F.R. § 376.2(d). The Agreement will remain in effect until _____, unless sooner terminated by either party. The Agreement includes no restrictions relative to the commodities to be transported. The original of the Agreement is kept by Carrier at the address shown below.

Equipment Type	Year	Make	VIN	Unit #	IC Driver	Terminal

INFORMATION ONLY

A COPY OF THIS STATEMENT OF LEASE IS TO BE CARRIED ON THE EQUIPMENT DURING ALL PERIODS THAT, PURSUANT TO THE AGREEMENT, THE EQUIPMENT IS BEING OPERATED BY OR ON BEHALF OF CARRIER.

Carrier: Service Transport Company
U.S. DOT No. 0229662
MC No.: 167776

7979 Alameda Genoa Rd.
Houston, Texas 77075

Contractor: _____

EIN: _____

By: _____
Signature

Name (Printed)

Title

Privacy Disclosures and Acknowledgement Form

1. ELD and Event Recorder Requirement and Purposes

The undersigned contractor ("Contractor") maintains in each unit of equipment ("Equipment") leased to Service Transport Company ("Carrier"), and has agreed to ensure each of Contractor's drivers uses, a compliant and functioning ELD and Event Recorder. The principal purpose of this is to assist Contractor's drivers and Carrier in complying with any applicable hours-of-service regulations and other applicable federal, state, local, Native American tribal, or foreign law, regulation, or ordinance ("Applicable Law") and in avoiding adverse safety scores and FMCSA interventions under CSA, to gather evidence relating to highway accidents, and to identify driving habits in violation of Applicable Law. The ELD may also assist in providing load dispatching and tracking services to meet the specifications of Carrier's customers. Both Carrier and Contractor will have access to view Electronic Information (as defined below).

2. Categories of Electronic Information Collected

The ELD and Event Recorder are capable of collecting various categories of data regarding the Equipment and its operation (collectively "Electronic Information"). ELD Electronic Information may include, without limitation: name of the driver and any co-driver(s), and corresponding driver identification information; duty status (that is, "Off Duty," "Sleeper Berth," "Driving," and "On-Duty Not Driving"); date and time the Equipment is in operation; location of the Equipment; distance travelled (including when the Equipment crosses state lines); name and DOT number of Carrier; 24-hour period starting time; multiday basis used by Carrier to compute cumulative duty hours and driving time; hours in each duty status for the 24-hour period, and total hours; Equipment number; load information, such as shipping document number(s), or name of shipper and commodity(ies); fuel use, including when the Equipment is refueled; speed of the Equipment; hard-braking events; and power-on self-tests and diagnostic error codes.

Event Recorder Electronic Information may include, without limitation: front-facing video of unordinary shocks, decelerating/braking, accelerating, swerving, turning, and, manual event recording.

The Electronic Information is transmitted from the Equipment to the third-party vendor of the ELD or Event Recorder, as applicable (as identified below), and then from the third-party vendor to Carrier. Contractor's driver acknowledges and understands Carrier may access certain categories of the Electronic Information in furtherance of its efforts to comply with Applicable Law, including hours-of-service regulations, or to meet customer specifications.

ELD vendor: PeopleNet (available at info@peoplenetonline.com; <https://mobility.trimble.com/contact-us/>).

Event Recorder vendor: iDrive (available at support@idriveglobal.com).

3. Carrier Uses of Electronic Information

The third-party vendor is responsible for the collection and storage of the Electronic Information. Contractor's driver acknowledges and understands Carrier may store certain Electronic Information. Carrier also has access to the Electronic Information stored by each third-party vendor and reserves the right to request that the third-party vendor collect and store the Electronic Information for as long as the Equipment with the installed ELD and Event Recorder operates under lease to Carrier, and for a reasonable time thereafter. If Contractor's driver has questions about the safeguards the vendor has put in place to protect against the loss, unauthorized access, use, destruction, or improper disclosure of the Electronic Information, he/she may contact the third-party vendor at the website identified above. Carrier has reasonable safeguards in place to secure the Electronic Information it receives from the third-party vendor, and limits access to the Electronic Information to authorized individuals who need to know the information in order to ensure compliance with Applicable Law, including the hours-of-service regulations, and to meet customer specifications.

4. Right to Review Electronic Information

Contractor's driver may, upon written request to Contractor (who will then similarly notify and work with Carrier accordingly), review the collected Electronic Information that Carrier itself continues to have access to, but only Electronic Information relating to such driver making the request.

This Privacy Disclosures and Acknowledgement Form is agreed to by Contractor on the date set forth below.

Contractor: _____

By: _____
Signature

INFORMATION ONLY

Name (Printed)

Date

DO NOT SEND THIS AGREEMENT TO TDI-DWC

If you are not certain whether all parties meet the requirements for entering into this agreement, you may wish to consult an attorney.

CHECK BOX OF STATEMENT THAT APPLIES

AGREEMENT BETWEEN MOTOR CARRIER
AND OWNER OPERATOR TO PROVIDE
WORKERS' COMPENSATION INSURANCE COVERAGE

Notice of Declaration

The undersigned Motor Carrier and the undersigned Owner Operator agree that the Motor Carrier will provide workers' compensation insurance coverage to the Owner Operator and the Owner Operator's employees. The Motor Carrier will deduct will not deduct the actual premiums, based on payroll, that are paid or incurred by the Motor Carrier for coverage from the contract price or any other amount owed to the Owner Operator by the Motor Carrier.

TERM (DATES) OF AGREEMENT: FROM: _____
TO: _____

ESTIMATED NUMBER OF WORKERS AFFECTED: _____
Texas Labor Code, Texas Workers' Compensation Act, Section 406.123

AGREEMENT TO REQUIRE OWNER OPERATOR
TO ACT AS EMPLOYER

Notice of Agreement

The undersigned Motor Carrier and the undersigned Owner Operator agree that the Owner Operator assumes the responsibilities of an employer for the performance of work.

TERM (DATES) OF AGREEMENT: FROM: _____
TO: _____

ESTIMATED NUMBER OF WORKERS AFFECTED: _____
Texas Labor Code, Texas Workers' Compensation Act, Section 406.122.

THIS AGREEMENT SHALL TAKE EFFECT NO SOONER THAN THE DATE IT IS SIGNED.

MOTOR CARRIER'S AFFIRMATION

If the Motor Carrier's workers' compensation carrier changes during the effective period of coverage, it is advisable for the Motor Carrier to file this form with the new insurance carrier.

74-1535423

Federal Tax I.D. Number

Signature of Motor Carrier Date

Service Transport Company

Printed Name of Motor Carrier

P. O. Box 751418

Address (Street)

Houston, Texas 77275

Address (City, State, Zip)

OWNER OPERATOR'S AFFIRMATION

Federal Tax I.D. Number

Signature of Motor Owner Operator Date

Printed Name of Owner Operator

Address (Street)

Address (City, State, Zip)

The Motor Carrier should retain the original. A legible copy of this agreement must be filed with the Motor Carrier's workers' compensation insurance carrier within 10 days of the date of execution. An agreement is not considered filed if it is illegible or incomplete. The Owner Operator should also retain a copy of the agreement.

