
CONCORD TRUCKING SERVICES, INC.

1100 East Street P O Box 1159

Fairport Harbor, OH 44077

440/354-4086

EQUIPMENT LEASE AGREEMENT BETWEEN OWNER AND CARRIER (FOR USE ONLY WHERE OWNER DRIVES OR FURNISHES DRIVERS FOR EQUIPMENT)

- 1. OWNER, CARRIER and Relationship Defined.** OWNER as used herein means any person defined as "Owner" in 49 C.F.R. 1057.2 (d) and any contractor, agent, employee or driver of OWNER. Carrier as used herein means any person defined as "Authorized Carrier" in 49 C.F.R. 1057.2 (a). The relationship between OWNER and CARRIER shall be that of independent contractor. CARRIER'S "exclusive possession, control, use and complete responsibility for operation" of the EQUIPMENT as set forth below shall be confined to the minimum extent necessary to meet the requirements of applicable Federal and State laws and for no other purpose whatsoever. CARRIER shall have no right under this agreement or otherwise to control the manner, means or method utilized by OWNER for the accomplishment of the results of this agreement. It is understood that OWNER shall direct and control OWNER'S operation in all respects including, but not limited to, such matters as rejection or selection of loads, days and time of operation, routes of travel empty miles, repair of equipment, purchase of fuel and other supplies. This agreement shall be interpreted under the laws of the state of OHIO.
- 2. Equipment.** OWNER represents to CARRIER that OWNER holds title to and/or has authority to lease the items of equipment (herein called EQUIPMENT) described herein. For the duration of this lease, OWNER leases EQUIPMENT unto CARRIER for CARRIER'S exclusive possession, control, use and complete responsibility for operation. EQUIPMENT is leased to CARRIER in order that CARRIER may utilize EQUIPMENT in the transportation of property for hire. OWNER shall furnish and pay a competent, reliable and physically fit operator or driver, together with any necessary helpers to operate EQUIPMENT as part of the consideration hereof. OWNER represents: that the driver or operator furnished for said EQUIPMENT is familiar with and will obey all applicable state and federal laws and regulations; that the furnishing of said operator or driver will not result in a violation of any said laws or regulations; that driver or operator will cooperate with CARRIER in achieving compliance with said laws and regulations and will properly file with CARRIER all log sheets, physical examination certificates, accident reports and other reports, documents and data required by law or by CARRIER and that OWNER will comply will all state weight, length and height laws and will not accept loads in excess of the limits allowed by state through which EQUIPMENT must travel.
- 3. Drivers.** OWNER is solely responsible for the selection, assignment and employment of drivers and any other employees necessary to operate the EQUIPMENT, subject only to CARRIER'S verification that such drivers and employees meet the applicable state and federal requirements. Any discipline or discharge imposed upon any of OWNER'S drivers or other employees is at the sole discretion of OWNER, it being understood that under no circumstances shall any driver or other employee assigned to the EQUIPMENT be considered an employee of CARRIER. OWNER is solely responsible for all wages, other remuneration and benefits paid to drivers or other employees assigned to the EQUIPMENT as well as all worker's compensation coverage, unemployment compensation coverage, social security and other employment related taxes relating to such drivers and employees. OWNER shall make all payroll tax and other deductions as required by law. OWNER agrees to indemnify and hold CARRIER harmless for any and all losses, costs, and expenses, including attorneys' fees, incurred by CARRIER as a result of OWNER'S failure to comply with this paragraph.
- 4. Duration of Lease.** This Lease shall commence on the effective date and hour specified below and continue in effect until breached by either party or until terminated. Either party may terminate this Lease at any time after thirty days from the effective date hereof by mailing or delivering to the other party at the address listed below, two copies of a written notice of termination. Termination shall be effective either upon receipt of the notice of termination from the other party or at such later date as may be specified in that notice. The party receiving notice of termination shall receipt the copy of such notice and return such receipted copy to the other party. Without excluding other breaches, any failure to furnish equipment or any use of equipment by OWNER or by any person other than CARRIER prior to written termination of this Lease is a specifically designated breach of this Lease which prevents and therefore terminates CARRIER'S exclusive possession, control, use and complete responsibility for said EQUIPMENT and in such event, this Lease is automatically terminated.

5. **Rental.** CARRIER agrees to pay OWNER for the use of EQUIPMENT 72 % of the adjusted trip revenues. Adjusted trip revenues are defined as CARRIER'S schedule charges for transportation, including detention charges but detention charges do not become due and payable to OWNER until they are verified and beyond dispute by the shipper or consignee obligated to pay such charges after which OWNER'S portion of such detention charges shall be paid within fifteen (15) days. OWNER shall be responsible for the loading and unloading of the vehicle. If CARRIER assesses charges for such loading and unloading, then OWNER shall be reimbursed subject to the above percentage division. Payment by CARRIER to OWNER for the use and operation of EQUIPMENT shall be paid within fifteen (15) days after submission by OWNER to CARRIER of whichever of the following items respecting the use and operation of said EQUIPMENT are involved: (1) bills of lading or shipping orders, (2) delivery receipts, (3) log sheets, (4) trip manifests and/or scale certificates (5) detention reports when they result in undisputed detention charges, (6) mileage reports, (7) interline papers, (8) fuel purchase receipts, (9) state or federal inspection reports, (10) accident reports, (11) any toll receipts which are involved in CARRIER'S tariff charges, (12) loss and/or damage reports, and (13) upon termination of this Lease, all identification devices and other property furnished by CARRIER to OWNER, and (14) where the EQUIPMENT has been trip - leased with prior approval of CARRIER, the CARRIER shall pay OWNER within fifteen (15) days after submission of all necessary delivery documents and other paperwork identifying the trip - lease rental payable to OWNER. If OWNER'S revenue is based on a percentage of trip revenues, CARRIER shall identify to OWNER at the time of settlement the amount of the rated freight bill. At the time of settlement, OWNER shall have the right to examine copies of CARRIER'S rate schedule, a copy of the source for determination of mileage on which charges are based. At the time of settlement, CARRIER may deduct from OWNER'S compensation the following: advances, telephone and facsimile respecting OWNER, loss or damage to cargo or property caused by OWNER, inspection fees, any of OWNER'S costs of operation paid for by or owed to, CARRIER, pick-up and delivery charges, amounts authorized by OWNER, and _____ CARRIER will provide OWNER with a written explanation and itemization of any such deductions before settlement. OWNER agrees, and acknowledges that under the terms hereof OWNER is being fully and fairly compensated for fuel cost increase in accordance with law.
6. **Receipts for Possession of EQUIPMENT.** Upon taking possession of EQUIPMENT, CARRIER shall furnish OWNER a receipt for such possession stating the date and hour when possession is taken by CARRIER. When possession of EQUIPMENT is surrendered by CARRIER to OWNER, OWNER shall furnish a similar receipt to CARRIER and at the same time return to CARRIER all identification devices and property furnished by CARRIER to OWNER.
7. **Inspection of EQUIPMENT.** Owner warrants that EQUIPMENT is complete with all required accessories and is in good, safe and efficient operating condition and shall be so maintained at OWNER'S expense throughout the duration of the Lease. OWNER agrees to submit EQUIPMENT for CARRIER'S Inspection at the time CARRIER takes possession and periodically thereafter as required by CARRIER and to furnish to CARRIER all necessary information and documents or title or registration so as to enable CARRIER to correctly identify the EQUIPMENT.
8. **Identification.** CARRIER agrees to furnish identification for EQUIPMENT. OWNER agrees to permit CARRIER to identify EQUIPMENT and display such identification thereon (except as specified herein) in the manner required by CARRIER and by all applicable laws or regulations. OWNER further agrees to completely conceal such identification each time EQUIPMENT is not operated directly in the service of CARRIER including, but not limited to, non-dispatched bobtails, mechanical failures, towing and mechanical testing of EQUIPMENT. OWNER further agrees to permit and assist CARRIER in removing all such identification immediately upon written notification of the termination of the Lease by either party.
9. **Costs of operation.** OWNER shall have the duty to keep EQUIPMENT in good state of repair and to pay for all repairs on said EQUIPMENT and to pay for all other costs of operation of EQUIPMENT which shall include but not be limited to the following: fuel; fuel taxes; empty and loaded mileage; permits of all types; tolls except those included in CARRIER'S tariff charges; ferries; disputed detention charges; base plates and licenses minus any recoverable and/or transferable portion of such items available to CARRIER; maintenance costs; lubricants; tires including changing and/or repair; wages and remuneration of operators, drivers and helpers; public liability and property damage insurance on EQUIPMENT while not being operated in the service of CARRIER; payments for injury of damages to operator, driver and helpers and to EQUIPMENT, whether the same occur while the EQUIPMENT is being operated in the service of the CARRIER or otherwise; workers compensation, unemployment insurance, social security or other similar taxes, insurance or benefits on operator, driver or helpers, and in connection with any of the foregoing costs of operation, OWNER shall make all payroll, tax or other deductions required; axle, weight or other type of taxes, fees or exactions required of or on said EQUIPMENT or the use of operation thereof, including all reports connected with such matters; shortage, loss, and/or damages to cargo caused by fault or neglect of OWNER which are not covered by the CARRIER'S insurance which damages shall include, but not be limited to, the deductible portion of CARRIER'S insurance policies; and fines and penalties arising out of use of said EQUIPMENT, except fines and penalties levied for violations which are beyond OWNER'S control. In the event CARRIER is called upon to pay any of OWNER'S costs of operation, such payment shall be considered as a charge - back item to OWNER and CARRIER is hereby authorized to reimburse itself for the exact amount of such charge - back items out of any monies due or becoming due to OWNER, and CARRIER shall provide OWNER with those documents necessary to determine the validity of the charge - back.

10. **Insurance.** CARRIER shall furnish public liability, property damage and cargo insurance for the protection of the public as required by all federal and state laws and regulations. OWNER is required to obtain and pay for all other insurance coverage, including but not limited to: all required as well as any optional insurance coverage for public liability and property damage respecting the use of EQUIPMENT while not being operated in the service of CARRIER; all required as well as any optional insurance coverage on the operator, driver or helpers, whether the EQUIPMENT is being operated in the service of CARRIER or otherwise; all required as well as any optional insurance coverage for collision, fire, theft, or other occurrences or catastrophe respecting said EQUIPMENT; and all required as well as any optional overall (umbrella) type of insurance coverage respecting OWNER'S liability arising out of the use and operation of said EQUIPMENT or the actions of OWNER, his operators, drivers or helpers.

11. **Record of use of EQUIPMENT.** Owner will cooperate with CARRIER in the preparation, receipt, preservation and submission of those documents necessary for CARRIER to secure payment of trip revenues and of all manifests, bills of lading, delivery receipts, weigh bills, freight bills, log sheets and other papers and records respecting the lading and use of said EQUIPMENT in accordance with all applicable laws and regulations.

12. **Products, EQUIPMENT or Service Obtained by OWNER from CARRIER.** OWNER is not required to purchase or rent any products equipment or service from CARRIER as a condition to entering into this agreement. The terms of this agreement between OWNER and CARRIER respecting equipment purchase or rental contract for which CARRIER may take deductions from OWNER'S compensation are as follows: (fill in only if there is such agreement). The amount of all insurance deductible for all cargo claims, property damage claims or other injuries or losses.

13. **Escrow Funds.** OWNER shall be required to deposit with CARRIER, the sum of \$ **0** which escrow funds may be applied on payment to CARRIER for the following items: additional unauthorized costs and charges to Concord Transportation Services, Inc.; permit costs incurred prior to sixth month anniversary

CARRIER shall account to OWNER for all transactions involving said escrow funds on each settlement sheet between OWNER and CARRIER. OWNER has a right to demand an accounting from CARRIER of transactions involving said escrow fund. At the termination of this agreement. CARRIER shall make all proper deductions from said escrow funds and make a final accounting to OWNER of all final deductions from said escrow funds and return the balance of said escrow funds to OWNER within forty-five days of the termination of this agreement.

14. **Assignment and Subleasing.** Neither party may assign this lease. CARRIER, either directly, or through OWNER acting on behalf of CARRIER, may sublease EQUIPMENT when permitted by applicable laws or regulations. CARRIER shall be considered as OWNER for purposes of any such subleasing. Subleasing without CARRIER'S prior approval, knowledge and consent is unauthorized. If OWNER enters into an unauthorized sublease, OWNER and his unauthorized sub-lessee agree to assume all responsibility for and hold CARRIER harmless from any claims whatsoever for public liability, property damage, cargo loss or otherwise, and CARRIER shall not be required to pay anything to OWNER in connection with any unauthorized sublease.

15. **Agreements and Copies.** The foregoing agreement plus any attachments or otherwise constitute the complete agreement between OWNER and CARRIER and no contractor, employee or agent of either party shall have authority to alter or vary the terms hereof or to make any representations or commitments not included herein. Where applicable herein, the singular shall include the plural and the masculine shall include the feminine or neuter or vice versa. This agreement shall be executed in at least three copies, each of which shall be considered an original. One executed copy known as CARRIER'S copy shall be retained by CARRIER. One executed copy known as an OWNER'S copy shall be retained by owner. One executed copy known as EQUIPMENT copy shall be carried on EQUIPMENT during the period of this agreement unless a statement as provided in 49 C.F.R. 1057.11 (c) (2) is carried on EQUIPMENT instead.

IN WITNESS WHEREOF, the CARRIER and OWNER do hereby sign this Agreement on this ____ of _____ 2006 at ____PM. Which date and hour shall be the effective date of this Agreement.

Name of Owner _____ Address of Owner _____ By _____ OWNER	CONCORD TRUCKING SERVICES, INC. 1100 East St., Fairport Harbor, OH 44077 By: _____ CARRIER Manager _____ Title
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FHWA MC 353315

Lease Serial Number

OWNER INSURANCE

P.U.C. O. Tax Receipt _____ OHIO IFTA _____

OWNER furnished **CARRIER** evidence of Public Liability and Property Damage Insurance in amounts equivalent to minimum requirements prescribed for authorized carriers in P.U.C.O. Administrative Orders and supplements thereto and superseding orders thereof, said insurance being described as follows:

Insurance Company and Home Office

Policy No. _____

Name and Address of issuing agency _____

Expires _____

EQUIPMENT DESCRIPTION

	MAKE	YR	MODEL	SERIAL NO.	LICENSE	STATE	OWNER
TRACTOR							
TRUCK							
FULL							

RECEIPT BY CARRIER

The undersigned **CARRIER** hereby acknowledges the receipt of the EQUIPMENT above described from **OWNER** this ____ day of _____, 2005, at ____ PM.

Concord Trucking Services, Inc.
CARRIER By _____

RECEIPT BY OWNER

The undersigned **OWNER** hereby acknowledges the receipt of the EQUIPMENT above described from **CARRIER**

this ____ day of _____, 200____, at _____ o'clock _____ M.

OWNER By _____