

EXHIBIT 1-A

AGREEMENT

THIS AGREEMENT, entered into this 27 day of September, 2013, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED] (hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00(AM) (PM) on the 27 day of September, 2013, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 200	67% of gross freight revenue
201 - 300	.94 per loaded mile
301 - 500	.82 per loaded mile
501 - 700	.79 per loaded mile
701 - Over	.77 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 200 loaded miles.

(d) Dead Head Pay - must be authorized and dispatched only

- (i) Loads under 200 loaded miles - no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.

C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH

THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor

subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.

- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
- (a) Contractor is responsible for \$500.00 cargo and \$500.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.

- IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.

By:

(witness)

THIS AGREEMENT SUPERCEDES AND/OR REPLACES ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

Date: _____ time: _____ By: _____
(Carrier representative)

INDEPENDENT CONTRACTOR – LEASED OPERATOR or OWNER OPERATOR
"Memorandum of Understanding"

I, [REDACTED], understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

[REDACTED]

Date: 9-29-13

[REDACTED]

COMMERCIAL VEHICLE LEASE AGREEMENT

AGREEMENT of lease made this 27 day of SEPTEMBER, 2013, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 164 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$91,840.00 payable in 164 consecutive weekly installments of \$560.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of n/a percent per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected, subject, however, to the Lessee's option to purchase the Vehicle as provided in Paragraph 13. Tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enter into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier.

Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & Deadhead).** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. The insurance shall be placed with an insurance company by Lessor. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, insurance policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. The insurance shall be written in the name of the Lessee but endorsed "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor, as their interest may appear," and also endorsed "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*. Lessor shall not be invalidated by any act of the Insured." The insurance shall be placed with insurance companies satisfactory to the Lessor by Lessee. The premiums shall be charged to Lessee weekly. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. The policy or a certificate thereof must be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessor shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessor and the Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that such substitute drive is approved by Lessor. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or

collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for any insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rental expenses due with the next installment of rent under terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.
 - b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at it's option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any

such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 1. A 30 day written notice has been given to the Lessor and
 2. All rents due and payable have been paid in full up to the expiration date which is 30 days from the date of delivery and
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days from the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of the election to do so, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date. The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the cost of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, the said cost being determined by proportioning the yearly cost of these items to the Lessor, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.
- c. Upon exercise of this option, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the option price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. **WARRANTY:** The Vehicle is subject to **NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle.** Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.
15. **CONDITIONS OF SALE "AS IS" WARRANTY:** This Vehicle is subject to remaining Manufacturers Warranty only, to be handled through the Maintenance Department of the approved carrier.
16. **ASSIGNMENT OF LESSEE:** Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonably withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all the terms of this lease required to be performed by the Lessee.
17. **ASSIGNMENT BY LESSOR:** This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's exercise of the option to purchase, may be assigned by the Lessor at any time upon written notice to the Lessee. In the event of any such assignment by the Lessor, assignee's rights shall not be subject to any prior claims or offsets of the Lessee against the Lessor. The Lessee, on receiving written notice of any such assignment together with a duly executed copy of the instrument of assignment, shall thereafter make all rental payments as may be directed in the notice or instrument of assignment. Following such assignment the term "Lessor" as used in this lease shall be deemed to include such assignee.
18. **ADDITIONAL VEHICLES:** Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.
19. **ATTORNEY'S FEES:** Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.
20. **FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles
21. **SALES TAX:** The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales taxes that may be due on or arising from, the receipt of such charges by the Lessor.
22. **INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation of interpretation.

- 23. ENTIRE AGREEMENT:** This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.
- 24. NOTICES:** All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.
- 25. NON-WAIVER:** No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.
- 26. HEADINGS:** Headings in this lease are for convenience only and shall not be used to interpret or construe its provisions.
- 27. GOVERNING LAW:** This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.
- 28. COUNTERPARTS:** This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 29. BINDING EFFECT:** The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
- 30.** The Contractor shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$5,000.00. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder. This security deposit will be a \$50.00 Weekly Settlement Deduction until the balance is \$5,000.00.
- It is also understood that if the contract is terminated for any reason prior to 12 months from this date, that \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the contract.
- 31. RESTORATION OF EQUIPMENT:** Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

IC - 001
SCHEDULE A

CFS - 2189

1. DESCRIPTION OF LEASE EQUIPMENT: **2014 VOLVO 780**
Serial **#4V4NC9EH8EN153871**

2. LOCATION OF LEASE EQUIPMENT:

Knoxville, Tennessee

3. RENTAL:

As stipulated in Lease Agreement

164 payments of **\$560.00** /week for a

Total of **\$91,840.00**

4. OTHER WEEKLY CHARGES:

Satellite\$22.00

Federal Highway Use Tax\$11.00

Bobtail Insurance\$8.35 (*Subject to change with prior notice*)

Permits (*Refrigerated or Van Division*).....\$10.00

Permits & License (*Western Division*)\$40.00

5. DEPRECIATION SCHEDULE:

N/A

6. STIPULATED RESIDUAL VALUE:

\$FMV upon satisfaction of the Lease Agreement.

7. COLLISION INSURANCE: **\$150.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

Lessee/Contractor: [REDACTED]

SEPTEMBER 27, 2013

Date

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 27 day of
SEPTEMBER, 2013.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: _____

Lease Administrator

LESSEE:

By: _____

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$91,840.00 payable in 164 consecutively weekly installments of \$560.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED]

[REDACTED]

[REDACTED]

Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED] Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: SEPTEMBER 27, 2013

[REDACTED]

AGREEMENT

THIS AGREEMENT, entered into this 11 day of October, 2013, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED] Owner, or authorized provider of said equipment, of [REDACTED] hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00 (AM) (PM) on the 11 day of October, 2013, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 200	67% of gross freight revenue
201 - 300	.94 per loaded mile
301 - 500	.82 per loaded mile
501 - 700	.79 per loaded mile
701 - Over	.77 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 200 loaded miles.

(d) Dead Head Pay - must be authorized and dispatched only

- (i) Loads under 200 loaded miles - no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100.

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH

THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor

subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.

- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
 - (a) Contractor is responsible for \$500.00 cargo and \$500.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
 12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
 13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
 14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
 15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
 16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
 17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
 18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
 19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.

20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning trailer to Carrier's terminal or other agreed location. In the event Contractor retains Carrier's trailer or otherwise refuses to deliver possession thereof upon termination of this Agreement, Contractor shall additionally be liable to Carrier in the amount of \$500.00 per day for each day the trailer is held in the constructive or actual possession of Contractor and all costs of collection and recovery of said trailer, including attorney's fees.
21. In the event either party violates any term, condition or provision of this Agreement, that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
- CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$1500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.

 (Witness)

COLONIAL FREIGHT SYSTEMS, INC.

By: _____

THIS AGREEMENT **SUPERCEDES** AND/OR **REPLACES** ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

RECEIPT FOR RETURN OF VEHICLE: Received of: «Driver Name», the equipment described as :
 (Contractor)

Tractor _____, Serial # _____ and/or Trailer # _____ Serial # _____

Date: _____ time: _____ By: _____
 (Carrier representative)

INDEPENDENT CONTRACTOR – LEASED OPERATOR or OWNER OPERATOR
"Memorandum of Understanding"

I, [REDACTED], understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

Date: 10-11-13

COMMERCIAL VEHICLE LEASE AGREEMENT

AGREEMENT of lease made this 11 day of OCTOBER, 2013, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 85 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$39,525.00 payable in 85 consecutive weekly installments of \$465.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of n/a percent per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected, subject, however, to the Lessee's option to purchase the Vehicle as provided in Paragraph 13. Tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enter into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier.

Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & Deadhead).** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. The insurance shall be placed with an insurance company by Lessor. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, insurance policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. The insurance shall be written in the name of the Lessee but endorsed "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor, as their interest may appear," and also endorsed "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*. Lessor shall not be invalidated by any act of the Insured." The insurance shall be placed with insurance companies satisfactory to the Lessor by Lessee. The premiums shall be charged to Lessee weekly. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. The policy or a certificate thereof must be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessor shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessor and the Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that such substitute drive is approved by Lessor. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or

collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for any insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rental expenses due with the next installment of rent under terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.
 - b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at it's option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any

such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 1. A 30 day written notice has been given to the Lessor and
 2. All rents due and payable have been paid in full up to the expiration date which is 30 days from the date of delivery and
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days from the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of the election to do so, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date. The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the cost of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, the said cost being determined by proportioning the yearly cost of these items to the Lessor, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.
- c. Upon exercise of this option, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the option price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. **WARRANTY:** The Vehicle is subject to **NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle.** Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.
15. **CONDITIONS OF SALE "AS IS" WARRANTY:** This Vehicle is subject to remaining Manufacturers Warranty only, to be handled through the Maintenance Department of the approved carrier.
16. **ASSIGNMENT OF LESSEE:** Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonably withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all the terms of this lease required to be performed by the Lessee.
17. **ASSIGNMENT BY LESSOR:** This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's exercise of the option to purchase, may be assigned by the Lessor at any time upon written notice to the Lessee. In the event of any such assignment by the Lessor, assignee's rights shall not be subject to any prior claims or offsets of the Lessee against the Lessor. The Lessee, on receiving written notice of any such assignment together with a duly executed copy of the instrument of assignment, shall thereafter make all rental payments as may be directed in the notice or instrument of assignment. Following such assignment the term "Lessor" as used in this lease shall be deemed to include such assignee.
18. **ADDITIONAL VEHICLES:** Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.
19. **ATTORNEY'S FEES:** Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.
20. **FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles
21. **SALES TAX:** The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales taxes that may be due on or arising from, the receipt of such charges by the Lessor.
22. **INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation of interpretation.

- 23. ENTIRE AGREEMENT:** This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.
- 24. NOTICES:** All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.
- 25. NON-WAIVER:** No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.
- 26. HEADINGS:** Headings in this lease are for convenience only and shall not be used to interpret or construe its provisions.
- 27. GOVERNING LAW:** This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.
- 28. COUNTERPARTS:** This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 29. BINDING EFFECT:** The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
- 30.** The Contractor shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$5,000.00. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder. This security deposit will be a \$50.00 Weekly Settlement Deduction until the balance is \$5,000.00.
- It is also understood that if the contract is terminated for any reason prior to 12 months from this date, that \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the contract.
- 31. RESTORATION OF EQUIPMENT:** Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

IC - 002
SCHEDULE A

CFS - 2571

1. DESCRIPTION OF LEASE EQUIPMENT: **2011 FREIGHTLINER**
Serial **#1FUJGLBGXBSBA9754**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
85 payments of **\$465.00** /week for a
Total of **\$39,525.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. DEPRECIATION SCHEDULE:
N/A
6. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
7. COLLISION INSURANCE: **\$114.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED]
Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

OCTOBER 11, 2013

Date

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 11 day of
OCTOBER, 2013.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: 

LESSEE:

By: 

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$39,525.00 payable in 85 consecutively weekly installments of \$465.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED]

[REDACTED]

[REDACTED]

Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED], Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: OCTOBER 11, 2013

[REDACTED]

AGREEMENT of lease made this 27 day of AUGUST, 2015, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 182 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$99,190.00 payable in 182 consecutive weekly installments of \$545.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease and the assignee shall have notified the Lessee to make payments directly to the assignee, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of 12% per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected. The tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enters into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & deadhead):** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. Lessor shall place the insurance with an insurance company. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective and maintain in full force and effect, during the entire term of this lease, an insurance policy or policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. Any insurance required shall be written in the name of the Lessee with the following endorsement: "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor," Any insurance required herein shall be written in the name of the Lessee and shall also be endorsed: "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC.* Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. Any policy of insurance or a certificate of insurance as required herein shall be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessee shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that Lessor approves such substitute driver. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby

guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

- 9. LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rent expenses due with the next installment of rent under the terms of this lease.
- 10. CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
- 11. INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
- 12. LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**

 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor has assigned all of its right, title and interest (but not obligations) in this lease to Fifth Third Bank, an Ohio Banking Corporation (Assignee). It is hereby agreed that the rights of the Lessee are subject and subordinate to the interest and rights of Assignee with respect to the vehicles leased hereby. Assignment of this lease shall not release Lessee from any of its obligations hereunder, and such Assignee shall be entitled to all rights of Lessor, free from any defense, setoff or counterclaim by Lessee. Lessee agrees to make all lease payments directly to Assignee, if so notified in writing by the Assignee. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.

- b. In case of the Lessee's failure to pay the rentals when due or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at its option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
1. A 30 day written notice has been given to the Lessor and;
 2. All rents due and payable have been paid in full up to the notice of termination, which is 30 days from receipt of termination notice by Lessor.
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days after the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of Lessee's election to terminate this lease, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed by Lessor for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date ("the purchase price"). The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the pro rata cost to Lessor of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.
- c. Upon exercise of its purchase option contained in Section 13a or 13b hereof, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered

or permitted by Lessee to become effective thereon), 1 payment by the Lessee in cash or certified checks of the full amount of the purchase price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. WARRANTY: The Vehicle is subject to NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle. Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.

15. CONDITIONS OF SALE "AS IS" WARRANTY: The Vehicle is subject to remaining Manufacturers Warranty only, to be handled through Colonial Freight Systems' maintenance Department.

16. ASSIGNMENT OF LESSEE: Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonable withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all terms of this lease required to be performed by the Lessee.

17. ASSIGNMENT BY LESSOR: This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's termination or default prior to the expiration of this lease shall be retained by the Lessor and may be assigned at its sole discretion. As noted in Section 12.a hereof, Lessor has assigned all of its right, title and interest (but not obligations) in this lease to Assignee.

18. ADDITIONAL VEHICLES: Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.

19. ATTORNEY'S FEES: Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.

20. FORCE MAJEURE: The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles

21. SALES OR USE TAX: The fixed rent and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales or use taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).

22. INDEMNITY: Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation of interpretation.

23. ENTIRE AGREEMENT: This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

24. NOTICES: All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

25. NON-WAIVER: No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

26. HEADINGS: Headings in this lease are for convenience only and shall not be used to Interpret or construe its provisions.

27. GOVERNING LAW: This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.

28. COUNTERPARTS: This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

29. BINDING EFFECT: The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.

30. SECURITY DEPOSIT: Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00.

It is also understood that, if the lease is terminated for any reason prior to 12 months from this date, \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the lease.

31. RESTORATION OF EQUIPMENT: Upon Lessee return or surrender of the vehicle to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the Vehicle to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2016 VOLVO 670**
Serial **#4V4NC9EH2GN957800**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
182 payments of **\$545.00** /week for a
Total of **\$99,190.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. DEPRECIATION SCHEDULE:
N/A
6. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
7. COLLISION INSURANCE: **\$146.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

AUGUST 27, 2015

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 27 day of
AUGUST, 2015.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: 

Lease Administrator

LESSEE:

By: 

WITNESS:

By: 

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$99,190.00 payable in 182 consecutively weekly installments of \$545.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.


[REDACTED]

[REDACTED]


[REDACTED]

Tractor

MEMORANDUM OF UNDERSTANDING

I,  Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: **AUGUST 27, 2015**



Modification to Commercial Vehicle Lease Agreement with Phoenix Leasing of Tennessee, Inc.

The above-referenced lease agreement is amended effective January 8, 2015 as follows:

Section 2(c) is an addition to the lease with the below language inserted:

At any point during any week where the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is from 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will increase as a result of any additional weekly rental payments made due to this provision.

Schedule A, Section 4 is amended with the following addition under, "Other Weekly Charges":

Additional Installment for Second Seat Driver per Section 2(c) as Applicable ... \$ 105.00

This Modification to Commercial Vehicle Lease Agreement is deemed to have been agreed to by the Lessee upon receipt of this notice.

AGREEMENT

THIS AGREEMENT, entered into this 20 day of September, 2013, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED] Owner, or authorized provider of said equipment, of [REDACTED] (hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00 (AM) (PM) on the 20 day of September, 2013, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 200	67% of gross freight revenue
201 - 300	.94 per loaded mile
301 - 500	.82 per loaded mile
501 - 700	.79 per loaded mile
701 - Over	.77 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 200 loaded miles.

(d) Dead Head Pay - must be authorized and dispatched only

- (i) Loads under 200 loaded miles - no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignees shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH

THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor

subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.

- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
 - (a) Contractor is responsible for \$500.00 cargo and \$500.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
 12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
 13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
 14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
 15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
 16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
 17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
 18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
 19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.

20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning trailer to Carrier's terminal or other agreed location. In the event Contractor retains Carrier's trailer or otherwise refuses to deliver possession thereof upon termination of this Agreement, Contractor shall additionally be liable to Carrier in the amount of \$500.00 per day for each day the trailer is held in the constructive or actual possession of Contractor and all costs of collection and recovery of said trailer, including attorney's fees.
21. In the event either party violates any term, condition or provision of this Agreement; that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
- A. CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - B. CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - C. CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - D. CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - E. CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - F. The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$1500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.

 (Witness)

COLONIAL FREIGHT SYSTEMS, INC.

By: _____

THIS AGREEMENT SUPERCEDES AND/OR REPLACES ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

RECEIPT FOR RETURN OF VEHICLE: Received of: «Driver Name», the equipment described as :
 (Contractor)

Tractor _____, Serial # _____ and/or Trailer # _____ Serial # _____

Date: _____ time: _____ By _____
 (Carrier representative)

INDEPENDENT CONTRACTOR – LEASED OPERATOR or OWNER OPERATOR
"Memorandum of Understanding"

I, [REDACTED], understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

[REDACTED]
[REDACTED]

[REDACTED]

(Witness)
Date: 9-20-13

COMMERCIAL VEHICLE LEASE AGREEMENT

AGREEMENT of lease made this 20 day of SEPTEMBER, 2013, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 88 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$40,920.00 payable in 88 consecutive weekly installments of \$465.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of n/a percent per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected, subject, however, to the Lessee's option to purchase the Vehicle as provided in Paragraph 13. Tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enter into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier.

Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & Deadhead).** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. The insurance shall be placed with an insurance company by Lessor. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, insurance policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. The insurance shall be written in the name of the Lessee but endorsed "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor, as their interest may appear," and also endorsed "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*. Lessor shall not be invalidated by any act of the Insured." The insurance shall be placed with insurance companies satisfactory to the Lessor by Lessee. The premiums shall be charged to Lessee weekly. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. The policy or a certificate thereof must be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessor shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessor and the Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that such substitute drive is approved by Lessor. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or

collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for any insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rental expenses due with the next installment of rent under terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.
 - b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at it's option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any

such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 1. A 30 day written notice has been given to the Lessor and
 2. All rents due and payable have been paid in full up to the expiration date which is 30 days from the date of delivery and
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days from the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of the election to do so, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date. The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the cost of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, the said cost being determined by proportioning the yearly cost of these items to the Lessor, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.
- c. Upon exercise of this option, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the option price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. **WARRANTY:** The Vehicle is subject to **NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED**, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle. Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.
15. **CONDITIONS OF SALE "AS IS" WARRANTY:** This Vehicle is subject to remaining Manufacturers Warranty only, to be handled through the Maintenance Department of the approved carrier.
16. **ASSIGNMENT OF LESSEE:** Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonably withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all the terms of this lease required to be performed by the Lessee.
17. **ASSIGNMENT BY LESSOR:** This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's exercise of the option to purchase, may be assigned by the Lessor at any time upon written notice to the Lessee. In the event of any such assignment by the Lessor, assignee's rights shall not be subject to any prior claims or offsets of the Lessee against the Lessor. The Lessee, on receiving written notice of any such assignment together with a duly executed copy of the instrument of assignment, shall thereafter make all rental payments as may be directed in the notice or instrument of assignment. Following such assignment the term "Lessor" as used in this lease shall be deemed to include such assignee.
18. **ADDITIONAL VEHICLES:** Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.
19. **ATTORNEY'S FEES:** Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.
20. **FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles
21. **SALES TAX:** The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales taxes that may be due on or arising from, the receipt of such charges by the Lessor.
22. **INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation of interpretation.

- 23. ENTIRE AGREEMENT:** This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.
- 24. NOTICES:** All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.
- 25. NON-WAIVER:** No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.
- 26. HEADINGS:** Headings in this lease are for convenience only and shall not be used to interpret or construe its provisions.
- 27. GOVERNING LAW:** This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.
- 28. COUNTERPARTS:** This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 29. BINDING EFFECT:** The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
- 30.** The Contractor shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$5,000.00. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder. This security deposit will be a \$50.00 Weekly Settlement Deduction until the balance is \$5,000.00.
- It is also understood that if the contract is terminated for any reason prior to 12 months from this date, that \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the contract.
- 31. RESTORATION OF EQUIPMENT:** Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

IC - 003
SCHEDULE A

CFS - 3014

1. DESCRIPTION OF LEASE EQUIPMENT: **2011 FREIGHTLINER**
Serial **#1FUJGLBG3BSBA9756**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL;
As stipulated in Lease Agreement
88 payments of **\$465.00** /week for a
Total of **\$40,920.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. DEPRECIATION SCHEDULE:
N/A
6. STIPULATED RESIDUAL VALUE:
SFMV upon satisfaction of the Lease Agreement.
7. COLLISION INSURANCE: **\$114.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED]
Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

SEPTEMBER 20, 2013

Date

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 20 day of
SEPTEMBER, 2013.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By 

LESSEE:

By: 

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$40,920.00 payable in 88 consecutively weekly installments of \$465.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED]

[REDACTED]

[REDACTED]

Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED] Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: SEPTEMBER 20, 2013

[REDACTED]

AGREEMENT of lease made this **19** day of **FEBRUARY, 2015**, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of **69** weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of **\$37,605.00** payable in **69** consecutive weekly installments of **\$545.00** each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease and the assignee shall have notified the Lessee to make payments directly to the assignee, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of **12%** per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected. The tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enters into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & deadhead):** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. Lessor shall place the insurance with an insurance company. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective and maintain in full force and effect, during the entire term of this lease, an insurance policy or policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. Any insurance required shall be written in the name of the Lessee with the following endorsement: "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor," Any insurance required herein shall be written in the name of the Lessee and shall also be endorsed: "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC.* Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. Any policy of insurance or a certificate of insurance as required herein shall be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessee shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that Lessor approves such substitute driver. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby

guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rent expenses due with the next installment of rent under the terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT; SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor has assigned all of its right, title and interest (but not obligations) in this lease to BB&T Equipment Finance and Corporation (Assignee). It is hereby agreed that the rights of the Lessee are subject and subordinate to the interest and rights of Assignee with respect to the vehicles leased hereby. Assignment of this lease shall not release Lessee from any of its obligations hereunder, and such Assignee shall be entitled to all rights of Lessor, free from any defense, setoff or counterclaim by Lessee. Lessee agrees to make all lease payments directly to Assignee, if so notified in writing by the Assignee. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.

- b. In case of the Lessee's failure to pay the rentals when due or the failure to maintain or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at its option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
1. A 30 day written notice has been given to the Lessor and;
 2. All rents due and payable have been paid in full up to the notice of termination, which is 30 days from receipt of termination notice by Lessor.
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days after the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of Lessee's election to terminate this lease, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed by Lessor for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date ("the purchase price"). The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the pro rata cost to Lessor of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.
- c. Upon exercise of its purchase option contained in Section 13a or 13b hereof, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered

or permitted by the Lessee to become effective thereon), until payment by the Lessee in cash or certified checks of the full amount of the purchase price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

- 14. WARRANTY:** The Vehicle is subject to NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle. Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.
- 15. CONDITIONS OF SALE "AS IS" WARRANTY:** The Vehicle is subject to remaining Manufacturers Warranty only, to be handled through Colonial Freight Systems' maintenance Department.
- 16. ASSIGNMENT OF LESSEE:** Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonable withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all terms of this lease required to be performed by the Lessee.
- 17. ASSIGNMENT BY LESSOR:** This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's termination or default prior to the expiration of this lease shall be retained by the Lessor and may be assigned at its sole discretion. As noted in Section 12.a hereof, Lessor has assigned all of its right, title and interest (but not obligations) in this lease to Assignee.
- 18. ADDITIONAL VEHICLES:** Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.
- 19. ATTORNEY'S FEES:** Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.
- 20. FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles
- 21. SALES OR USE TAX:** The fixed rent and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales or use taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).
- 22. INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation or interpretation.

23. ENTIRE AGREEMENT: This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

24. NOTICES: All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

25. NON-WAIVER: No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

26. HEADINGS: Headings in this lease are for convenience only and shall not be used to Interpret or construe its provisions.

27. GOVERNING LAW: This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.

28. COUNTERPARTS: This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

29. BINDING EFFECT: The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.

30. SECURITY DEPOSIT: Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00.

It is also understood that, if the lease is terminated for any reason prior to 12 months from this date, \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the lease.

31. RESTORATION OF EQUIPMENT: Upon Lessee return or surrender of the vehicle to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the Vehicle to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 19 day of
FEBRUARY, 2015.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: 

LESSEE:

By: 

WITNESS:

By: 

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2013 VOLVO 780**
Serial **#4V4NC9EH6DN145248**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
69 payments of **\$545.00** /week for a
Total of **\$37,605.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. DEPRECIATION SCHEDULE:
N/A
6. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
7. COLLISION INSURANCE: **\$114.00** / wk (*Subject to change with prior notice*)

I, [REDACTED], authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED] [REDACTED] [REDACTED]

FEBRUARY 19, 2015

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$37,605.00 payable in 69 consecutively weekly installments of \$545.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED]

[REDACTED]

[REDACTED]
Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED] Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: **FEBRUARY 19, 2015**

[REDACTED]

Modification to Commercial Vehicle Lease Agreement with Phoenix Leasing of Tennessee, Inc.

The above-referenced lease agreement is amended effective January 8, 2015 as follows:

Section 2(c) is an addition to the lease with the below language inserted:

At any point during any week where the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is from 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will increase as a result of any additional weekly rental payments made due to this provision.

Schedule A, Section 4 is amended with the following addition under, "Other Weekly Charges":

Additional Installment for Second Seat Driver per Section 2(c) as Applicable ... \$ 105.00

This Modification to Commercial Vehicle Lease Agreement is deemed to have been agreed to by the Lessee upon receipt of this notice.

AGREEMENT of lease made this 07 day of JUNE, 2016, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 181 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided. Each Schedule A shall be deemed a separate lease incorporating the terms of the Commercial Vehicle Lease Agreement.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$105,885.00 payable in 181 consecutive weekly installments of \$585.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of 12% per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by Lessor. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
 - c. This contract is designated as a SINGLE contract. For contracts designated as single, if at any point during any week the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will therefore increase as a result of any additional weekly rental payments made due to this provision.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected. The tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enters into an independent operators contract with a DOT certified motor carrier approved by Lessor, which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by

Lessor and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & deadhead):** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor and its assigns as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. Lessor shall place the insurance with an insurance company. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, insurance policies insuring the Vehicle against fire and theft in an amount approved by the Lessor, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. The insurance shall be written in the name of the Lessee but endorsed "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor, as their interest may appear," and also endorsed "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. The policy or a certificate thereof must be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessee shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by Lessor. The Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that Lessor approves such substitute driver. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for

any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event, the Lessee shall pay the cost thereof as further and additional rental expenses with the next installment of rent under the terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor has assigned its interest in this lease to Wells Fargo Equipment Finance, Inc. (Assignee). It is hereby agreed that the rights of the Lessee are subject and subordinate to any lien given by Lessor to secure the purchase price of the Vehicle (s) leased hereby. Assignment of this lease shall not release Lessee from any of its obligations hereunder, and such Assignee shall be entitled to all rights of Lessor, free from any defense, setoff or counterclaim by Lessee. Lessee agrees to make all lease payments directly to Assignee, if so notified in writing by the Assignee. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as

owner.

- b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at its option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR:

- a. The Lessee may terminate this agreement if:
 - 1. A 30 day written notice has been given to the Lessor and;
 - 2. All rents due and payable have been paid in full up to the notice of termination, which is 30 days from receipt of termination notice by Lessor.

14. OPTION TO PURCHASE:

- a. The term of this lease is **181** weeks with no "Option to Purchase" provision until the end of the lease.
- b. Upon satisfying the term of this lease, Lessee may purchase the Vehicle described herein for the stipulated residual value. This purchase option shall expire 30 days after the full term of this lease has been satisfied.

15. WARRANTY: The Vehicle is subject to **NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle.** Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.

16. CONDITIONS OF SALE "AS IS" WARRANTY: This Vehicle is subject to remaining Manufacturers Warranty only, to be handled through Colonial Freight Systems' maintenance Department.

17. ASSIGNMENT OF LESSEE: Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee until the term of this lease has been satisfied.

18. ASSIGNMENT BY LESSOR: This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's termination or default prior to the expiration of this lease shall be retained by the Lessor and may be assigned at its sole discretion.

19. ADDITIONAL VEHICLES: Upon the Lessee's request for additional Vehicles, the Lessor shall, at its sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.

20. ATTORNEY'S FEES: Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.

21. FORCE MAJEURE: The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles

22. SALES OR USE TAX: The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales or use taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).

23. INDEMNITY: Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation or interpretation.

24. ENTIRE AGREEMENT: This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

25. NOTICES: All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

26. NON-WAIVER: No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

27. HEADINGS: Headings in this lease are for convenience only and shall not be used to Interpret or construe its provisions.

28. GOVERNING LAW and WAIVER OF JURY TRIAL: This lease shall be construed in accordance with and governed by the laws of the State of Tennessee. LESSEE WAIVES ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY MATTER ARISING UNDER OR IN CONNECTION WITH THIS LEASE.

29. COUNTERPARTS: This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. If Lessor accepts a Counterpart of a Schedule A as the binding and effective record thereof only such Counterpart acknowledged in writing by Lessor shall be marked "Original" and to the extent that a Schedule A constitutes chattel paper, a security interest may only be created in the Schedule A that bears Lessor's ink signed acknowledgment.

30. BINDING EFFECT: The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.

31. SECURITY DEPOSIT: Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00. It is also understood that, if the lease is terminated for any reason prior to 12 months from this date, \$25.00 per week will be deducted from the escrow balance for the use

of the license plate, Title will be applicable to each week or portion thereof for the active term of the lease. Lessor may, at its option, disallow pets of any kind to be in the leased equipment. Pets are subject to a \$500.00 non-refundable pet fee if a pet(s) is in the leased equipment at any time.

32. RESTORATION OF EQUIPMENT: Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2017 VOLVO 780**
Serial **#4V4NC9EH1HN981684**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
181 payments of **\$585.00** /week for a
Total of **\$105,885.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. PET FEE:
If applicable, one-time non-refundable fee of \$500.00
6. DEPRECIATION SCHEDULE:
N/A
7. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
8. COLLISION INSURANCE: **\$162.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED] [REDACTED] [REDACTED]

JUNE 07, 2016

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 07 day of JUNE,
2016.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: 

LESSEE:

By: 

WITNESS:



ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of **\$105,885.00** payable in **181** consecutively weekly installments of **\$585.00** each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED] _____ [REDACTED] _____
[REDACTED]
Tractor

MEMORANDUM OF UNDERSTANDING

I, Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: JUNE 07, 2016

AGREEMENT

THIS AGREEMENT, entered into this 11 day of November, 2016, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED] Owner, or authorized provider of said equipment, of [REDACTED] hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00(AM) (PM) on the 11 day of November, 2016, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. **COMPENSATION:** Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 850	67% of gross freight revenue
851 - 1200	.82 per loaded mile
1201 - Over	.79 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 850 loaded miles.

(d) Dead Head Pay – must be authorized and dispatched only

- (i) Loads under 200 loaded miles – no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE

IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's

- settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
 - (a) Contractor is responsible for \$1000.00 cargo and \$1000.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
 12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
 13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
 14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
 15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
 16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
 17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
 18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
 19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.
 20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning

trailer to Carrier's terminal or other agreed location. In the event Contractor retains Carrier's trailer or otherwise refuses to deliver possession thereof upon termination of this Agreement, Contractor shall additionally be liable to Carrier in the amount of \$500.00 per day for each day the trailer is held in the constructive or actual possession of Contractor and all costs of collection and recovery of said trailer, including attorney's fees.

21. In the event either party violates any term, condition or provision of this Agreement; that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
 - A. CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - B. CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - C. CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - D. CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - E. CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - F. The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$3500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.

 (Witness)

COLONIAL FREIGHT SYSTEMS, INC.
 By: _____

THIS AGREEMENT **SUPERCEDES** AND/OR **REPLACES** ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

RECEIPT FOR RETURN OF VEHICLE: Received of: _____ the equipment described as :
 (Contractor)

Tractor _____, Serial # _____ and/or Trailer # _____ Serial # _____

Date: _____ time: _____ By: _____
 (Carrier representative)

INDEPENDENT CONTRACTOR - LEASED OPERATOR or OWNER OPERATOR

"Memorandum of Understanding"

I, [REDACTED] understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

[REDACTED]
(Contractor or Contractor's Driver's Signature)

[REDACTED]
(Colonial Freight Systems, Inc. Signature)

Date: 11-11-16

COMMERCIAL VEHICLE LEASE AGREEMENT

AGREEMENT of lease made this 11 day of **NOVEMBER, 2016**, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 160 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of **\$96,000.00** payable in 160 consecutive weekly installments of **\$600.00** each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of 12% per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
 - c. This contract is designated as a **SINGLE** contract. For contracts designated as single, if at any point during any week the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will therefore increase as a result of any additional weekly rental payments made due to this provision.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected. Tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a

condition of this Lease that Lessee enter into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & Deadhead).** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. The insurance shall be placed with an insurance company by Lessor. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective and maintain in full force and effect, during the entire term of this lease, an insurance policy or policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. Any insurance required shall be written in the name of the Lessee with the following endorsement: "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor," Any insurance required herein shall be written in the name of the Lessee and shall also be endorsed: "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC.* Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. Any policy of insurance or a certificate of insurance as required herein shall be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessor shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessor and the Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain

another driver for the Vehicle on the condition that such substitute driver is approved by Lessor. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for insurance, or to pay taxes, fees, and similar charges, all as hereinbefore specified, the Lessor may effect such insurance payment, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as additional rent with the next month's installment of rent.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this

agreement as a true lease. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.

- b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at it's option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.
- c. In addition to the other provisions of the lease, (1) Lessee acknowledges that Lessor shall be entitled to sell, grant, or assign its rights under the lease and the Vehicle without notice to Lessee to one or more financing institutions, and Lessee's interest as Lessee shall be subject and subordinate to such security interest (or ownership rights) and (2) Lessee agrees that it will not use the Vehicle for transportation of material that requires placard for cargo that is radioactive, toxic, flammable, explosive, or environmentally hazardous.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 - 1. A 30 day written notice has been given to the Lessor and
 - 2. All rents due and payable have been paid in full up to the expiration date which is 30 days from the date of delivery and
 - 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days from the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of the election to do so, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date. The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the cost of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, the said cost being determined by proportioning the yearly cost of these items to the Lessor, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes.
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement

at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.

- c. Upon exercise of this option, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the option price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. WARRANTY: The Vehicle is subject to NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle. Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.

15. CONDITIONS OF SALE "AS IS" WARRANTY: The Vehicle is subject to remaining Manufacturers Warranty only, to be handled through Colonial Freight Systems' maintenance Department.

16. ASSIGNMENT OF LESSEE: Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonable withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all terms of this lease required to be performed by the Lessee.

17. ASSIGNMENT BY LESSOR: This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's exercise of the option to purchase, may be assigned by the Lessor at any time upon written notice to the Lessee. In the event of any such assignment by the Lessor, assignee's rights shall not be subject to any prior claims or offsets of the Lessee against the Lessor. The Lessee, on receiving written notice of any such assignment together with a duly executed copy of the instrument of assignment, shall thereafter make all rental payments as may be directed in the notice or instrument of assignment. Following such assignment the term "Lessor" as used in this lease shall be deemed to include such assignee.

18. ADDITIONAL VEHICLES: Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.

19. ATTORNEY'S FEES: Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in

such suit or suits.

20. **FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles.
21. **SALES OR USE TAX:** The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales or use taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).
22. **INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation or interpretation.
23. **ENTIRE AGREEMENT:** This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.
24. **NOTICES:** All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.
25. **NON-WAIVER:** No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.
26. **HEADINGS:** Headings in this lease are for convenience only and shall not be used to interpret or construe its provisions.
27. **GOVERNING LAW:** This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.
28. **COUNTERPARTS:** This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
29. **BINDING EFFECT:** The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
30. **SECURITY DEPOSIT:** Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00.

It is also understood that if the lease is terminated for any reason prior to 12 months from this date, \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the contract. Lessor may, at its option, disallow pets of any kind to be in the leased equipment. Pets are subject to a \$500.00 non-refundable pet fee if a pet(s) is in the leased

equipment at any time..

- 31. RESTORATION OF EQUIPMENT:** Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2017 VOLVO 780**
Serial **#4V4NC9EH5HN981672**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
160 payments of **\$600.00** /week for a
Total of **\$96,000.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. PET FEE:
If applicable, one-time non-refundable fee of \$500.00
6. DEPRECIATION SCHEDULE:
N/A
7. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
8. COLLISION INSURANCE: **\$164.00** / wk (*Subject to change with prior notice*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED]
Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

NOVEMBER 11, 2016
Date

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 11 day of
NOVEMBER, 2016.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: _____



LESSEE:

By: _____



ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$96,000.00 payable in 160 consecutively weekly installments of \$600.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED], Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

____ [REDACTED]

____ [REDACTED]

[REDACTED]
Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED] Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: 11/11/16

AGREEMENT

THIS AGREEMENT, entered into this 06 day of April, 2017, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED]
Owner, or authorized provider of said equipment, of [REDACTED] (hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00(AM) (PM) on the 06 day of April, 2017, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 850	67% of gross freight revenue
851 - 1200	.82 per loaded mile
1201 - Over	.79 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 850 loaded miles.

(d) Dead Head Pay - must be authorized and dispatched only

- (i) Loads under 200 loaded miles - no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE

IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's

- settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
- (a) Contractor is responsible for \$1000.00 cargo and \$1000.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.
20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning

trailer to Carrier's terminal or other agreed location. In the event Contractor retains Carrier's trailer or otherwise refuses to deliver possession thereof upon termination of this Agreement, Contractor shall additionally be liable to Carrier in the amount of \$500.00 per day for each day the trailer is held in the constructive or actual possession of Contractor and all costs of collection and recovery of said trailer, including attorney's fees.

21. In the event either party violates any term, condition or provision of this Agreement; that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
 - A. CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - B. CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - C. CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - D. CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - E. CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - F. The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$3500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.

 (Witness)

CC _____
 By _____

THIS AGREEMENT **SUPERCEDES AND/OR REPLACES** ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

RECEIPT FOR RETURN OF VEHICLE: Received of: _____ the equipment described as :
 (Contractor)

Tractor _____, Serial # _____ and/or Trailer # _____ Serial # _____

Date: _____ time: _____ By: _____
 (Carrier representative)

INDEPENDENT CONTRACTOR - LEASED OPERATOR or OWNER OPERATOR

"Memorandum of Understanding"

I, [REDACTED] understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By s

[REDACTED]

(Colonial Representative Signature & Title)

Date: 4-6-17

COMMERCIAL VEHICLE LEASE AGREEMENT

AGREEMENT of lease made this 06 day of APRIL, 2017, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 157 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$94,200.00 payable in 157 consecutive weekly installments of \$600.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of 12% per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
 - c. This contract is designated as a **SINGLE** contract. For contracts designated as single, if at any point during any week the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will therefore increase as a result of any additional weekly rental payments made due to this provision.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected, subject, however, to the Lessee's option to purchase the Vehicle as provided in Paragraph 13. Tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service

for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enter into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC., which shall require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & Deadhead).** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. The insurance shall be placed with an insurance company by Lessor. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, insurance policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. The insurance shall be written in the name of the Lessee but endorsed "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*, Lessor, as their interest may appear," and also endorsed "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC. AND the APPROVED CARRIER*. Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. The policy or a certificate thereof must be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessor shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable the Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessor and the Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain

another driver for the Vehicle on the condition that such substitute driver is approved by Lessor. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver liable for any damages caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for any insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rental expenses due with the next installment of rent under terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property.

This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.

In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at it's option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 1. A 30 day written notice has been given to the Lessor and
 2. All rents due and payable have been paid in full up to the expiration date which is 30 days from the date of delivery and
 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days from the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of the election to do so, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date. The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the cost of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, the said cost being determined by proportioning the yearly cost of these items to the Lessor, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it

agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.

- c. Upon exercise of this option, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the option price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.
14. **WARRANTY:** The Vehicle is subject to **NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle.** Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.
15. **CONDITIONS OF SALE "AS IS" WARRANTY:** This Vehicle is subject to remaining Manufacturers Warranty only, to be handled through the Maintenance Department of the approved carrier.
16. **ASSIGNMENT OF LESSEE:** Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonably withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all the terms of this lease required to be performed by the Lessee.
17. **ASSIGNMENT BY LESSOR:** This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's exercise of the option to purchase, may be assigned by the Lessor at any time upon written notice to the Lessee. In the event of any such assignment by the Lessor, assignee's rights shall not be subject to any prior claims or offsets of the Lessee against the Lessor. The Lessee, on receiving written notice of any such assignment together with a duly executed copy of the instrument of assignment, shall thereafter make all rental payments as may be directed in the notice or instrument of assignment. Following such assignment the term "Lessor" as used in this lease shall be deemed to include such assignee.
18. **ADDITIONAL VEHICLES:** Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.
19. **ATTORNEY'S FEES:** Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.
20. **FORCE MAJEURE:** The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles.

- 21. SALES OR USE TAX:** The fixed and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).
- 22. INDEMNITY:** Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind or nature arising out of or in any way connected with this agreement, its operation of interpretation.
- 23. ENTIRE AGREEMENT:** This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.
- 24. NOTICES:** All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.
- 25. NON-WAIVER:** No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.
- 26. HEADINGS:** Headings in this lease are for convenience only and shall not be used to interpret or construe its provisions.
- 27. GOVERNING LAW:** This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.
- 28. COUNTERPARTS:** This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 29. BINDING EFFECT:** The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.
- 30. SECURITY DEPOSIT:** Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00. It is also understood that if the contract is terminated for any reason prior to 12 months from this date, that \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the contract. Lessor may, at its option, disallow pets of any kind to be in the leased equipment. Pets are subject to a \$500.00 non-refundable pet fee if a pet(s) is in the leased equipment at any time.
- 31. RESTORATION OF EQUIPMENT:** Upon Lessee return or surrender of the leased equipment to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the leased equipment to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2017 VOLVO 780**
Serial **#4V4NC9EH1HN985279**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
157 payments of **\$600.00** /week for a
Total of **\$94,200.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. PET FEE:
If applicable, one-time non-refundable fee of \$500.00
6. DEPRECIATION SCHEDULE:
N/A
7. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
8. COLLISION INSURANCE: **\$162.00** / wk (*Subject to change upon insurance renewal*)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

[REDACTED]
Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

APRIL 06, 2017

Date

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 06 day of APRIL,
2017.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By

Lease Administrator

LESSEE:

By

ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of **\$94,200.00** payable in **157** consecutively weekly installments of **\$600.00** each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED]

[REDACTED]

[REDACTED]

Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED], Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: APRIL 06, 2017

[REDACTED]

AGREEMENT

THIS AGREEMENT, entered into this 06 day of April, 2017, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and [REDACTED] Owner, or authorized provider of said equipment, of [REDACTED] (hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00(AM) (PM) on the 06 day of April, 2017, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 850	67% of gross freight revenue
851 - 1200	.82 per loaded mile
1201 - Over	.79 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

(c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 850 loaded miles.

(d) Dead Head Pay – must be authorized and dispatched only

- (i) Loads under 200 loaded miles – no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

(e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

(f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

(g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE

IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's

- settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
 - (a) Contractor is responsible for \$1000.00 cargo and \$1000.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
 12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
 13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
 14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
 15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
 16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
 17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
 18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
 19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.
 20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning

21. In the event either party violates any term, condition or provision of this Agreement, that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
 - A. CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - B. CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - C. CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - D. CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - E. CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - F. The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$3500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

CC [REDACTED]
By [REDACTED]
(Witness)

821

I, [REDACTED] understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

[REDACTED]

(Colonial Representative signature & title)

Date:

4-6-17

AGREEMENT of lease made this 06 day of APRIL, 2017, between PHOENIX LEASING OF TENNESSEE, INC., a Tennessee corporation with offices located in Knoxville, Tennessee (the "Lessor"), and [REDACTED] as lease contractor (the "Lessee").

1. **SUBJECT AND TERM OF LEASE:** The Lessor leases to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories described in Schedule A attached hereto and made a part hereof (the "Vehicle"), for a term of 125 weeks beginning on the date the Vehicle is ready for service unless terminated earlier as herein provided.
2. **RENTAL:**
 - a. For the use of the Vehicle the Lessee shall pay the Lessor a total rent in the amount of \$73,750.00 payable in 125 consecutive weekly installments of \$590.00 each, beginning on the first day which shall be one week following the date hereof and thereafter on the same day of each week for the term of this lease. Lessee shall pay to Lessor additional fixed charges as set forth on Schedule A simultaneously with the payment of rent. All payments shall be made at Lessor's principal place of business, unless Lessor's rights hereunder shall have been assigned as provided in this lease and the assignee shall have notified the Lessee to make payments directly to the assignee, in which event all payments shall be made to the assignee at the address designated in the notice of assignment given to the Lessee. Interest shall be paid on each delinquent installment of rent from a date five days after the due date until paid at the rate of 12% per annum.
 - b. As a condition precedent to this agreement, Lessee agrees to establish and maintain, at all times, a valid Owner Operator of Permanent Lease Agreement with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE, INC. Lessee shall authorize the approved carrier to withhold, deduct and pay to Lessor such sums from the weekly settlements between the approved carrier and Lessee as shall be necessary to satisfy all of the financial obligations of Lessee to Lessor arising in any way here from.
 - c. This contract is designated as a **SINGLE** contract. For contracts designated as single, if at any point during any week the leased truck is being operated with a second seat driver, the weekly rental installment will increase by \$105.00. The weekly period for this purpose is 12:00 AM on Friday until 11:59 PM on Thursday. Total rent paid under this lease will therefore increase as a result of any additional weekly rental payments made due to this provision.
3. **RETURN OF VEHICLE:** Upon termination of this lease, the Lessee shall return the Vehicle to the Lessor in the same condition in which it was received by the Lessee, ordinary wear and tear and natural depreciation expected. The tires shall be in good condition with a minimum average of 50 percent of original tread.
4. **REPAIRS AND REPLACEMENTS:** The Lessee shall, at its own expense, make all repairs and replacements necessary to keep and maintain the Vehicle in good mechanical condition and repair, including all repairs occasioned by accident, to the Vehicle during the continuance of this lease. The Lessee shall keep the Vehicle in good operating condition; shall furnish all tires, gasoline, oils and lubricants necessary for the operation of the Vehicle; and shall furnish complete garage service for the Vehicle including the washing, polishing and cleaning of the Vehicle. It is a condition of this Lease that Lessee enters into an independent operators contract with a DOT certified motor carrier approved by PHOENIX LEASING OF TENNESSEE,

INC., which all require Lessee to have all repairs and maintenance of Vehicle to be performed at a facility approved by PHOENIX LEASING OF TENNESSEE, INC. and coordinated by the Vice President of Maintenance of the approved carrier. Lessee hereby authorizes the approved carrier to collect any amounts due Lessor on a monthly basis which amounts shall be remitted to Lessor by the approved carrier.

5. **NON-TRUCKING LIABILITY INSURANCE (Bobtail & deadhead):** The Lessee, at its own expense, shall keep effective, during the entire term of this lease, an insurance policy insuring the Lessor as named insured against liability for personal injury with limits of at least \$1,000,000.00 and against liability for property damage with a limit of at least \$1,000,000.00. Lessor shall place the insurance with an insurance company. The premiums shall be charged to Lessee weekly. The policy or a certificate thereof must be delivered to the Lessor prior to delivery of the Vehicle to the Lessee.
6. **FIRE, THEFT, AND COLLISION INSURANCE:** The Lessee, at its own expense, shall keep effective and maintain in full force and effect, during the entire term of this lease, an insurance policy or policies insuring the Vehicle against fire and theft, and also providing \$1,000.00 deductible collision insurance, liability for the deductible amount to be borne by the Lessee. Any insurance required shall be written in the name of the Lessee with the following endorsement: "with loss payable to *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor," Any insurance required herein shall be written in the name of the Lessee and shall also be endorsed: "Insurance as to the interest of *PHOENIX LEASING OF TENNESSEE, INC.* Lessor shall not be invalidated by any act of the Insured." Any insurance coverage required in this lease shall be placed with an insurance company or insurance companies and policies specifically approved by the Lessor. The premiums shall be remitted to the Lessor by the Lessee. Lessor will remit payments to the approved insurance company or companies on behalf of the Lessee. Payments are to be made to the Lessor at least thirty (30) days prior to the due date of the premium and shall be made in quarterly, semi-annual, or annual installments with certified funds. In the event of an assignment of the Lessor's rights, the name of the Assignee shall be substituted for that of *PHOENIX LEASING OF TENNESSEE, INC.*, Lessor. Any policy of insurance or a certificate of insurance as required herein shall be delivered to the Lessor prior to the delivery of the Vehicle to the Lessee.
7. **LICENSE PLATES AND TITLE:** License plates used on the Vehicle shall be issued in the name of the Lessor. The Lessee shall bear the cost of the license plates. Notwithstanding the issuance of certificates of title or any other documents required by law to enable Lessee to obtain license plates or operating rights, the title to the Vehicle is retained by *PHOENIX LEASING OF TENNESSEE, INC.* The Lessee covenants that it will not assign, pledge, create a security interest in, or encumber the Vehicle in any manner whatsoever, nor permit any liens to become effective thereon.
8. **OPERATION OF VEHICLE:** In the operation of the Vehicle the Lessee shall comply with all laws, regulations, rules, and orders of lawfully constituted authorities. The Lessee shall bear all expenses incidental to the possession, use and operation of the Vehicle. The Lessee shall pay all taxes, fees, and similar charges imposed on the ownership, possession, use, or operation of the Vehicle during the entire term of this lease, irrespective of whether or not such taxes, fees, and similar charges may be imposed by any federal, state, or municipal authority either upon the Lessor or upon the Lessee. Lessee shall cause the Vehicle to be operated with reasonable care. In the case of illness or emergency, Lessee may obtain another driver for the Vehicle on the condition that Lessor approves such substitute driver. Lessee or any substitute driver for Lessee shall not operate the Vehicle in a reckless, careless or abusive manner. Lessee shall not cause or permit any unqualified person to make any repairs or adjustments on the Vehicle and shall notify the Lessor forthwith of all cases or trouble and necessary repairs. Lessee shall be liable and shall hold any substitute driver

liable for any damage caused by him/her to the Vehicle through the operation of the Vehicle or through the operation of the Vehicle in breach of the conditions of this agreement and for any willful damage to the Vehicle or for any damages to, or for the loss of accessories due to the carelessness or negligence of the driver, the payment of which damages the Lessee hereby guarantees to the Lessor. The Lessee shall notify the Lessor immediately of any accidents or collisions in which the Vehicle has been involved and shall cooperate fully with the Lessor to prevent loss through accidents, and to collect collision damages from third parties, and to aid in every possible way in defense of suits, or other proceedings brought as a result of the operation of the Vehicle, and shall deliver to the Lessor promptly any and all papers, notices and documents served upon it, or its agents, in connection with a claim, suit, action or proceeding commenced or started against the Lessee arising out of the operation of the said Vehicle. The Lessee shall not overload any Vehicle operated under the terms of this agreement beyond its rated service capacity. The Lessee shall use the Vehicle only in its usual course of business and shall never use or permit the Vehicle to be used for illegal purposes. The Lessee shall hold the Lessor harmless for any fines, penalties for speeding, reckless or careless driving, or the violation of any statute, regulation or ordinance of any constituted public authority. The Lessee shall not encumber or create any liens upon the Vehicle. The Lessee shall hold the Lessor harmless from and liability for death or injury of persons or property and costs and legal fees arising from the operation and use of the Vehicle. The Lessee shall permit no person or persons, other than the Lessee or its agents or employees engaged in their regular duties to ride in the Vehicle at any time.

9. **LESSEE'S FAILURE TO MAINTAIN INSURANCE:** In case of any failure by the Lessee to pay for insurance required hereunder, or to pay taxes, fees, and similar charges, all as herein specified, the Lessor may effect such insurance payment and/or insurance coverage, or pay such taxes, fees, and similar charges, as the case may be. In such event the Lessee shall pay the cost thereof as further and additional rent expenses due with the next installment of rent under the terms of this lease.
10. **CONTROL OF VEHICLE:** The Lessor shall deliver the Vehicle to the Lessee at the Lessor's principal place of business, or to any other place within Tennessee as the Lessor may designate. The Vehicle shall be at all times under the sole and absolute control of the Lessee, subject to the rights of the Lessor in the event of default by Lessee. The Lessee shall mark the interior of the Vehicle in clear legible type with the inscription "Property of *PHOENIX LEASING OF TENNESSEE, INC.*" and shall maintain the inscription throughout the term of this lease.
11. **INSPECTION OF VEHICLE:** The Lessor may, upon prior written notice to the Lessee and during the Lessee's regular business, inspect the Vehicle on the Lessee's premises or wherever located. The Vehicle shall be based within the State of Tennessee at all times during the continuance of this lease, except that this provision shall not be deemed to prevent the use of the Vehicle outside the State of Tennessee.
12. **LESSEE'S DEFAULT: SECURITY INTEREST OF LESSOR**
 - a. Lessee, as debtor, grants a security interest to Lessor, as secured party, in any and all right, title and interest which Lessee now or may hereafter have in the leased property. This grant of a security interest shall not adversely affect the interpretations of this agreement as a true lease. Lessor has assigned all of its right, title and interest (but not obligations) in this lease to Regions Equipment Finance Corporation (Assignee). It is hereby agreed that the rights of the Lessee are subject and subordinate to the interest and rights of Assignee with respect to the vehicles leased hereby. Assignment of this lease shall not release Lessee from any of its obligations hereunder, and such Assignee shall be entitled to all rights of Lessor, free from any defense, setoff or counterclaim by Lessee.

Lessee agrees to make all lease payments directly to Assignee, if so notified in writing by the Assignee. Lessor's security interest shall be validly perfected by notation of Lessor on the title to the Vehicle as owner.

- b. In case of the Lessee's failure to pay the rentals when due, or the failure to fulfill or perform the conditions imposed upon the Lessee by this lease, including, but not limited to, the maintenance by Lessee of a valid Owner Operator or Permanent Lease Agreement with the approved carrier, for a period of 15 days after written notice of such default shall have been given to the Lessee, the Lessor shall have the right, at its option, to declare all unpaid rentals past due and payable. At any time when the Lessee is in any such default, the Lessor may take possession of the Vehicle, including all substituted parts, accessories, and equipment, and thereupon all the Lessee's rights in the Vehicle, including substituted parts, accessories, and equipment, shall cease and terminate. The Lessor's remedies in case of the Lessee's default shall be cumulative, and the Lessor may exercise any and all other lawful remedies the Lessor may have by virtue of the Lessee's breach of contract.

13. TERMINATION BY LESSEE OR LESSOR: OPTION TO PURCHASE

- a. The Lessee may terminate this agreement if:
 - 1. A 30 day written notice has been given to the Lessor and;
 - 2. All rents due and payable have been paid in full up to the notice of termination, which is 30 days from receipt of termination notice by Lessor.
 - 3. The Lessee is not in default of any of the terms or conditions hereof at the expiration of thirty days after the date on which delivery of the Vehicle hereunder is completed, or at the expiration of each successive period of six months thereafter by giving to the Lessor at least 30 days written notice of Lessee's election to terminate this lease, and by purchasing the said Vehicle on the cancellation date by paying a lump sum equal to the aggregate, initial retail selling price of the Vehicle as stated in Schedule A, less a sum for depreciation for such Vehicle, computed by Lessor for the period from the date of original delivery to Lessee or any prior Lessee of the said Vehicle to the cancellation date ("the purchase price"). The purchase price shall be the remainder of the "initial retail selling price" as set out in Schedule A after deducting therefrom "monthly depreciation" at the rates set forth therein for the elapsed time between the date of Vehicle delivery to Lessee or any prior Lessee and the date of termination; provided, however, that the purchase price shall not be less than the "residual value" as set out in Schedule A hereof. Upon such cancellation, the Lessee agrees to reimburse the Lessor for the difference, if any, between the pro rata cost to Lessor of registration, personal property taxes, for or on the said Vehicle for the balance of the calendar year in which this agreement is canceled, and the amount refunded to the Lessor on cancellation of the registration and insurance and from the adjustment of the personal property taxes
- b. In addition to any other rights herein conveyed, the Lessor may terminate this agreement at any time following the date on which delivery of Vehicle hereunder is completed, by giving to the Lessee at least 30 days written notice of the election to do so, prior to such cancellation date, but the Lessee shall then have the option to purchase the Vehicle on the cancellation date on the same terms set out in Subparagraph (a) above by giving on the date of the Lessor's notice of cancellation, the notice provided for in the preceding Subparagraph (a) of its intention to do so. If the Lessee does not exercise the option, it agrees to return the Vehicle to the Lessor on the cancellation date and pay all rental and other charges payable by Lessor pursuant to the terms hereof.

- c. Upon exercise of the purchase option contained in Section 12a or 13b hereof, the Lessor shall duly execute and deliver to the Lessee all documents necessary and proper to effect transfer of ownership of the Vehicle to the Lessee, free and clear of all encumbrances, security interests, and liens (other than encumbrances, security interest, or liens suffered or permitted by the Lessee to become effective thereon), upon payment by the Lessee in cash or certified checks of the full amount of the purchase price. Thereupon this lease shall terminate and no further rent shall become due in respect of the Vehicle purchased by the Lessee.

14. WARRANTY: The Vehicle is subject to NO WARRANTY, GUARANTY, OR REPRESENTATION, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, except to the extent that the standard warranty of the manufacturer may be applicable to the Vehicle. Lessee hereby covenants to review the conditions of said warranty and to comply with all conditions of the warranty and to not undertake any actions, which would prevent Lessor from exercising its rights under the warranty. The failure of Lessee to comply with this covenant shall constitute a default hereunder at which time the Lessor shall have all remedies provided to it by this lease and Tennessee law.

15. CONDITIONS OF SALE "AS IS" WARRANTY: The Vehicle is subject to remaining Manufacturers Warranty only, to be handled through Colonial Freight Systems' maintenance Department.

16. ASSIGNMENT OF LESSEE: Neither this lease nor the Lessee's rights hereunder shall be assignable by the Lessee except with the Lessor's written consent, which the Lessor shall not unreasonable withhold. Upon any permitted assignment by the Lessee, the assignee shall become bound by all terms of this lease required to be performed by the Lessee.

17. ASSIGNMENT BY LESSOR: This lease and all of the Lessor's rights hereunder, including its right, title, and interest in and to the Vehicle, the rents reserved herein, and the consideration to be paid in the event of Lessee's termination or default prior to the expiration of this lease shall be retained by the Lessor and may be assigned at its sole discretion. As noted in Section 12.a hereof, Lessor has assigned all of its right, title and interest (but not obligations) in this lease to Assignee.

18. ADDITIONAL VEHICLES: Upon the Lessee's request for additional Vehicles, the Lessor shall, at its' sole discretion, supply to the Lessee additional Vehicles for use for such period or periods as shall be mutually agreed upon. Such additional Vehicles will be rented to the Lessee upon the same covenants and conditions set forth in this agreement.

19. ATTORNEY'S FEES: Should suit be instituted by Lessor to enforce any of the terms or provisions of this agreement, Lessee shall pay to Lessor reasonable attorney's fees incurred in such suit or suits.

20. FORCE MAJEURE: The Lessor shall incur no liability to the Lessee for failure to supply any Vehicle, repair any disabled Vehicle, or supply any Vehicle in substitution for another, if prevented by war, fire, strike, accident, labor troubles, or any other cause, but in such event and only during the period of such failure, the Lessee shall not be liable for the fixed charges hereinbefore specified for such Vehicle or Vehicles

21. SALES OR USE TAX: The fixed rent and mileage charges for the use of the Vehicle herein leased are exclusive of any sales or use tax now in force or hereafter imposed and the Lessee agrees to pay in addition to the rental charges, the amount of any sales or use taxes that may be due on or arising from, the receipt of such charges by the Lessor (other than taxes on or measured solely by the net income of the Lessor).

22. INDEMNITY: Lessee agrees to indemnify and hold harmless Lessor from any and all injuries, damages, claims, suits, costs, attorney's fees, or any other loss or obligation of any kind

or nature arising out or in any way connected with this agreement, its operation of interpretation.

23. ENTIRE AGREEMENT: This lease supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

24. NOTICES: All notices or other documents under this lease shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

25. NON-WAIVER: No delay or failure by the Lessor to exercise any right under this lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

26. HEADINGS: Headings in this lease are for convenience only and shall not be used to Interpret or construe its provisions.

27. GOVERNING LAW: This lease shall be construed in accordance with and governed by the laws of the State of Tennessee.

28. COUNTERPARTS: This lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

29. BINDING EFFECT: The provisions of this lease shall be binding upon and inure to the benefit of both parties and their respective successors and assigns.

30. SECURITY DEPOSIT: Lessee shall provide a security deposit to the Lessor or approved CARRIER for the full and complete performance of this lease in the amount of \$5,000.00. This deposit shall not be refundable to Lessee for any reason during this lease and may be used as payment or partial payment of any unpaid balance due the Lessor or approved CARRIER hereunder. This security deposit may be a \$100.00 Weekly Settlement Deduction until the balance is \$5,000.00.

It is also understood that, if the lease is terminated for any reason prior to 12 months from this date, \$25.00 per week will be deducted from the escrow balance for the use of the license plate. This will be applicable to each week or portion thereof for the active term of the lease. Lessor may, at its option, disallow pets of any kind to be in the leased equipment. Pets are subject to a \$500.00 non-refundable pet fee if a pet(s) is in the leased equipment at any time.

31. RESTORATION OF EQUIPMENT: Upon Lessee return or surrender of the vehicle to the Lessor, the Lessee will be responsible for any costs incurred in repairing and restoring the Vehicle to the condition under which it was leased to the Lessee (i.e. brakes, tires, clutch, labor, etc...) as documented by the Maintenance Department of the approved carrier. In addition, any costs in recovering leased equipment (transportation, fuel, labor, etc...), if any, will be paid by the Lessee.

SCHEDULE A

1. DESCRIPTION OF LEASE EQUIPMENT: **2016 VOLVO 780**
Serial **#4V4NC9EH9GN957793**
2. LOCATION OF LEASE EQUIPMENT:
Knoxville, Tennessee
3. RENTAL:
As stipulated in Lease Agreement
125 payments of **\$590.00** /week for a
Total of **\$73,750.00**
4. OTHER WEEKLY CHARGES:
Satellite\$22.00
Federal Highway Use Tax\$11.00
Bobtail Insurance\$8.35 (*Subject to change with prior notice*)
Permits (*Refrigerated or Van Division*).....\$10.00
Permits & License (*Western Division*)\$40.00
5. PET FEE:
If applicable, one-time non-refundable fee of \$500.00
6. DEPRECIATION SCHEDULE:
N/A
7. STIPULATED RESIDUAL VALUE:
\$FMV upon satisfaction of the Lease Agreement.
8. COLLISION INSURANCE: **\$156.00** / wk (Subject to change upon insurance renewal)

I, [REDACTED] authorize **Colonial Freight Systems, Inc.** to deduct from my weekly Contractor settlement the above listed monies.

Lessee/Contractor: [REDACTED] [REDACTED] [REDACTED]

APRIL 06, 2017

IN WITNESS WHEREOF, the parties hereto have executed this agreement and attachments:
Schedule A, Restoration of Equipment, Amendment – Termination Notice on this 06 day of APRIL,
2017.

LESSOR:

PHOENIX LEASING OF TENNESSEE, INC.

By: 

Lease Administrator

LESSEE:

By: 

WITNESS:



ADDENDUM TO COMMERCIAL VEHICLE LEASE AGREEMENT

This addendum is to the Commercial Vehicle Lease Agreement whereby the Lessor has leased to the Lessee and the Lessee hereby rents from the Lessor the truck, equipment, and accessories discussed in Schedule A of the Commercial Vehicle Lease Agreement.

For the use of the Vehicle, the Lessee has agreed to pay to the Lessor rent in the amount of \$73,750.00 payable in 125 consecutively weekly installments of \$590.00 each. This represents 14,000 scheduled base miles allowed by the Lessor per month.

A penalty of five cents per mile for all miles over 14,000 scheduled base miles per month will be charged in addition to the monthly rental amount.

I, [REDACTED] Lessee, have read the above Addendum and I understand that I am renting the Vehicle with base scheduled miles of 14,000 with an additional five cents per mile cost for all miles over the 14,000 scheduled base miles.

[REDACTED] — [REDACTED]
Tractor

MEMORANDUM OF UNDERSTANDING

I, [REDACTED], Lessee, have carefully read and understand each provision of this agreement, including but not limited to Section 13 as it pertains to termination by the Lessee or Lessor and my options to purchase. I further acknowledge that I have had the opportunity to consult with counsel regarding this agreement and have executed it freely of my own knowledge and consent after fully understanding its terms and conditions or having the same explained to me at my request.

Date: [REDACTED] [REDACTED]

EXHIBIT 1-V

COLONIAL FREIGHT SYSTEMS, INC.
P.O. BOX 22168
KNOXVILLE, TENNESSEE 37933

AGREEMENT

THIS AGREEMENT, entered into this 21 day of November, 2014, at 9:00 o'clock AM, by and between COLONIAL FREIGHT SYSTEMS, INC., (hereinafter "CARRIER"), and Theodus Davis
Owner, or authorized provider of said equipment, of 4100 White Hall Rd; Pattison, MS 39144 (hereinafter "CONTRACTOR")

WITNESSETH:

WHEREAS, Carrier is engaged in the interstate transportation of commodities as a contract and common carrier under authority from the Interstate Commerce Commission (hereinafter "USDOT"), between points in the United States as indicated in its' certificates and permits of public convenience and necessity No. 115841 and various subs thereunder; and

WHEREAS, Contractor is engaged in the transportation of freight by motor vehicle; and

WHEREAS, Contractor desires to transport commodities as may be provided by Carrier and Carrier desires for Contractor to provide such transportation services.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) to Contractor in hand paid by the Carrier, and/or other good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the premises and mutual covenants and provisions herein contained, the parties agree as follows:

1. This contract shall become effective at 9:00(AM) (PM) on the 21 day of November, 2014, and shall remain in full force and effect for not less than twenty-four (24) hours thereafter. This contract shall remain in effect for subsequent 24 hour periods until terminated by either party as hereinafter provided. This contract may be terminated for any reason or no reason at the expiration of the initial or any renewal 24 hour period by 24 hours written notice to the other.
2. Contractor hereby agrees to furnish to Carrier upon the latter's request the equipment described in appendix "A". Carrier shall have the right to use the equipment furnished by the Contractor for the duration of this agreement.
3. COMPENSATION: Carrier agrees to compensate Contractor as follows:
 - A. Contractor may elect one of the following payment methods by placing an "X" in the block of his/her choice:

☒ (1) Percentage Compensation Schedule:

- (a) For tractor only: 67% of gross freight revenue
- (b) For tractor and trailer: 76% of gross freight revenue

(2) Mileage Compensation Schedule:

(a) Mileage Block Compensation:

0 - 200	67% of gross freight revenue
201 - 300	.94 per loaded mile
301 - 500	.82 per loaded mile
501 - 700	.79 per loaded mile
701 - Over	.77 per loaded mile

(b) Stop Pay:

- (i) Reefer division \$40.00
- (ii) Dry Van division \$30.00

- (c) Temperature controlled loads requiring protective service .03 per loaded mile, except trips of less than 200 loaded miles.

(d) Dead Head Pay – must be authorized and dispatched only

- (i) Loads under 200 loaded miles – no payment
- (ii) Loads other than (i) .45 per mile on all in excess of 100

- (e) Loading and unloading fees paid 100% in accordance with tariff provisions and/or rate agreements.

- (f) Each truck double operation 18,000 miles per month or more shall be entitled to receive an additional four cents (.04¢) per mile on all miles operated during that month when the total exceeds 18,000 miles, payable on or before the 15th of the following month.

- (g) Accessorial or supplementary charges, such as pallet, bulkhead and Panel surcharges, are not a part of freight revenue and are not a basis upon which any percentage of gross freight revenue is computed.

- B. Payment shall be withheld until submission to Carrier of all properly completed documents and paperwork related to the transportation of commodities as may be required by Carrier, the United States Department of Transportation (hereinafter "DOT"), Federal Motor Carriers Safety Administration (hereinafter "FMCSA") or any other governmental entity or agency, including delivery receipts, bills of lading, and/or any other specific documentation required by Carrier's customer. The required documents shall include Carrier's delivery receipts, trip reports, lease and interchange papers, fuel tickets, permits, fully executed Carrier's and Shipper's bills of lading, properly processed Customs documents, dock and warehouse receipts, logs, all escort, toll and ferry charges, pallet receipts, loading, unloading, detention and other reports and such other evidence of proper delivery and such other documents that may be required by the Rules and Regulations of the DOT or FMCSA, or any other Federal, State or foreign regulatory agencies of the customer. Payments shall be made directly to Contractor's account, less advances and deductions herein specified. Carrier, subject to its right to delete the names of shippers and consignee's shown on freight bill shall provide Contractor with a copy of a rated freight bill on shipments transported by Contractor at the time of settlement and Contractor shall have the right to examine Carrier's tariffs or rate agreements for said shipments.
- C. Payment, less any applicable deductions, chargeback items or any other monies owed to Carrier by Contractor, as set forth more particularly herein shall be made by Carrier to Contractor within fifteen (15) days after submission of all required properly completed documents and paperwork, as specified in paragraph B above, related to the transportation of commodities. NONCOMPLIANCE WITH

THE PROVISIONS OF PARAGRAPH B ABOVE SHALL DISQUALIFY CONTRACTOR FOR PAYMENT UNTIL FULLY CORRECTED AND SUBJECT CONTRACTOR TO A PENALTY OF 5% OF GROSS TRACTOR REVENUE FOR EACH LOAD WHERE COMPLIANCE IS NOT MADE WITHIN 10 DAYS OF DELIVERY. EACH 30 DAYS OR PORTION THEREOF WHERE COMPLIANCE IS DELAYED THEREAFTER SHALL SUBJECT CONTRACTOR TO AN ADDITIONAL 2% FOR EACH SUCCESSIVE PERIOD.

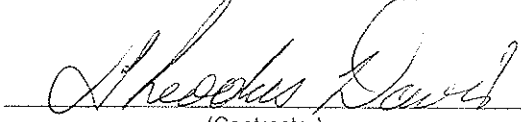
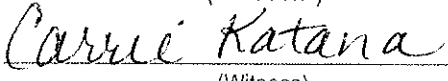
- D. Upon termination of the Agreement under any circumstance, all signs, certificate numbers, and any other descriptive material or matter on Contractor's equipment pertaining to Carrier shall be removed immediately and returned to Carrier. Final settlement from Carrier shall be made within forty-five (45) days of satisfactory proof by Contractor of full compliance with this section.
 - E. Carrier shall pay Contractor upon collection of detention or other accessorial service charges as shall be properly submitted in writing by Contractor to Carrier and properly verified by Carrier and Shipper or Consignee as actually incurred and owing in accordance with tariff provisions or rate agreements of Carrier.
4. At the time payment is made pursuant to 3.(b) Carrier shall give Contractor a copy of the rated freight bill, if not previously supplied; and, Contractor has the right upon request to examine Carrier's tariff provisions or rate agreements applicable to the transportation of commodities for which payment is made.
 5. Contractor agrees that all equipment furnished hereunder shall be subject to the inspection and approval of Carrier as to compliance with the Rules and Regulations of the DOT and/or FMCSA and various states in or through which Carrier operates. It is further understood that Contractor's equipment for the duration of this agreement shall be in compliance with all federal and state and company regulations presently in force or enacted in the future and that any expense associated therewith is and shall be borne by the Contractor. It is also agreed that Contractor is not required to purchase or rent any products, equipment or services from the Carrier as a condition of the agreement.
 6. If the Contractor determines that it is necessary to use drivers, driver helpers, laborers or others to perform the work under this agreement, they shall be employed at Contractor's expense. Such employees shall be qualified under and meet all requirements of company and company insurance policies, applicable federal and state laws and municipal ordinances and the Rules and Regulations of the DOT and/or FMCSA and any other governmental agency having jurisdiction in such matters and such qualifications shall be satisfactory proven to Carrier prior to performance of driving duties. Contractor shall be solely responsible for the direction and control of its employees in fulfilling its obligations under this agreement including but not limited to:
 - (a) the rejection of any loads, choice of lawfully authorized routes, the number of drivers and helpers to be used, points for servicing equipment, rest stops and other similar pertinent matters;
 - (b) selecting, hiring, supervising, directing and training its' employees; and
 - (c) selecting of wages, hours and working conditions and paying and adjusting of any grievance relating to any service provided under this agreement by any of its employees.
 - (d) loading and unloading of all commodities transported, however, all monies paid to Carrier by Shipper or Consignee for this service shall be paid at 100% to Contractor.
 7. Contractor shall, and under no circumstances will Carrier, be responsible for the withholding, payment and reporting of any payroll taxes for Contractor's employees, whether in connection with services performed by Contractor under this agreement or for any other reason, including but not limited to:
 - (a) federal, state and local income taxes;
 - (b) social security taxes; and
 - (c) federal and state unemployment taxes
 8. Contractor agrees to and shall comply with all applicable Workman's Compensation statutes concerning covering its employees and Contractor shall indemnify and hold Carrier harmless from all claims and demands thereof that may be made against Carrier. The laws of the state of Tennessee shall govern interpretation, enforcement and the determination of all benefits payable pursuant to workman's compensation insurance subject to the all contractual agreements between the parties.
 9. Contractor agrees to provide without limitation through settlement deduction, security deposit deduction or satisfactory proof of independently purchased insurance coverage, all operating and maintenance expenses on equipment used in the performance of this agreement, specifically including the following costs and any and all other costs incurred in the performance of this Agreement:
 - (a) fuel and fuel taxes, fuel purchased from Carrier;
 - (b) road taxes and tolls, ferry tolls and charges;
 - (c) drivers, equipment and equipment use licenses, permits of all types, fees, taxes, and fines, including base plates;
 - (d) load revenue proration, if any;
 - (e) all satellite equipment
 - (f) advances;
 - (g) Colonial Freight System's repair order (if applicable);
 - (h) Insurance:
 1. Bobtail
 2. Physical damage
 3. Worker's compensation
 4. Health Insurance, Dental, Vision, Life and/or Short Term Disability (optional)
 5. Trip guard insurance
 6. Fidelity bond
 - (i) truck rental, if necessary
 - (j) security deposit or escrow funds
 - (k) excess advance charges
 - (l) cargo claims
 - (m) local pickup and delivery charge, all loading and unloading expenses and charges
 - (n) trailer damages
 - (o) fines: overweight, over length, traffic violations, misdemeanors, permit or license violations
 - (p) overages, shortages and/or damages to freight
 - (q) billing errors, rate and/or mileage corrections
 - (r) interest on items owing Carrier
 - (s) excess mileage charge on trailers and/or loss of use
 - (t) wrecker services, transfer charges, warehouse and cold storage charges
 - (u) refrigeration fuel for trailer
 - (v) trailer wash (interior)
 - (w) charges for fuel and other operational expenses, if applicable
 - (x) trailer spotting charges at Carrier's cost
 10. Carrier will maintain insurance coverage for the protection of the public, pursuant to all applicable federal regulations. However, Contractor shall maintain at its own expense insurance with limits and terms satisfactory to Carrier pursuant to all applicable regulations as follows:
 - (a) "Bobtail" insurance: on all such insurance coverage, Contractor shall include Carrier as an additional insured, with a 30 day cancellation notice and Contractor's insurance company is to provide Carrier with a copy of the additional named insured endorsement and certificates as follows: Contractor's provision of such insurance is an inducing consideration in this agreement with Carrier. Should Contractor not have such insurance in force in the limits and terms represented to Carrier at the time this agreement is entered into, this agreement is null and void from the beginning as fully as if this agreement were never made. Should Contractor

subsequently fail to have such insurance in force in the limits and terms represented to Carrier, this agreement is null and void from the date of such failure. The Contractor may elect to have Carrier provide bobtail insurance and deduct all costs from Contractor's settlement. In the event Carrier provides bobtail insurance, the charge will be in accordance with the schedule attached as Exhibit B, and such charge will be deducted from Contractor's settlement. A copy of the insurance policy will be provided to Contractor upon request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.

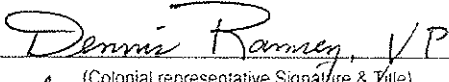
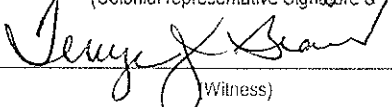
- (b) A worker's compensation insurance policy covering Contractors and their employees employed in connection with the performance of this Agreement which shall include an "All States Endorsement." The Contractor may elect to enroll in the worker's compensation program offered through Carrier for himself/herself and/or all Contractor's employees and have all costs deducted from Contractor's settlement. In the event Contractor elects to enroll in the worker's compensation program offered through Carrier, the charge will be computed in accordance with the regulations of the insurance carrier and attached as Exhibit J. Contractor further agrees that Carrier will deduct this charge from Contractor's settlement. A copy of the insurance policy will be provided upon Contractor's request. Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company, which is passed through to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deduction. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
 - (c) For any insurance purchased through Carrier by Contractor there will be provided to the Contractor by Carrier upon request by Contractor a copy of each policy. Also, when the Contractor purchases insurance, the Contractor will provide Carrier a copy of each policy. The certificate of insurance shall include the name of the insured, the policy number, the effective dates of the policy, the amount and types of coverage, and the deductible for each type of coverage. The Contractor also agrees to abide by any lawful increases in the rate herein stated by the insurance company which is passed along to Carrier. Contractor also agrees to pay Carrier for such increases through reimbursement, settlement deduction and/or security deposit deductions. Carrier agrees to provide Contractor with information relating to such increase through notation on the settlement or other written means.
11. Contractor shall be responsible to Carrier and shall through settlement deduction, security deposit deduction, or reimbursement to Carrier, hold Carrier harmless from all claims relating to any of the following:
 - (a) Contractor is responsible for \$500.00 cargo and \$500.00 for trailer damage if Contractor or Contractor's driver is involved in a chargeable accident causing these damages.
 - (b) Loss, shortage or damage to any cargo transported under this agreement, or from theft or other loss resulting from leaving a vehicle or any part of the vehicle unattended or unlocked or leaving vehicle in such place or places that it cannot be personally supervised and protected by Contractor or its agents, servants or employees, all noted or unnoted exceptions resulting from delivery of commodities under this agreement;
 - (c) Damage or loss for whatever reason to the equipment of Carrier used under this Agreement;
 - (d) Injury or death to any person, or damage or loss to any real or personal property occurring during the performance of the Agreement. Contractor shall immediately report or cause to be reported to Carrier any accidents, injuries, property damage of any nature and cargo loss, damage or shortage and as soon as practicable thereafter to submit a full and complete written report covering such occurrence to Carrier's insurance and claims department in the form and manner required by Carrier, Department of Transportation or any other governmental agency or entity.
 - (e) Contractor agrees and authorizes Carrier to withhold and reserve a security deposit. At termination of the lease, Carrier shall repay said deposit within 45 days providing all Permits, License, and I.D. Placards, Permit Numbers, Prepass I.D. Device and all satellite equipment are returned to Carrier and all liabilities due Carrier are satisfied. It is agreed by Contractor that Carrier may deduct from the security deposit the previously mentioned items in this section and also the items listed elsewhere herein.
 - (f) Contractor will be provided written explanation and itemization of any and all deductions for cargo or property damage made from Contractor's settlement or security deposit.
 - (g) Carrier agrees to pay Contractor interest on the security deposit, less the average advances, at a rate equal to the average yield or equivalent coupon issue yield of the immediate preceding thirteen (13) week Treasury Bill rate.
 - (h) The Contractor has a right to have an accounting for transactions involving the security deposit at any time during normal business hours.
 12. Contractor shall maintain at its expense such other insurance as it desires covering the equipment used by Contractor in its performance under this Agreement. Carrier will carry only such insurance as required by law.
 13. In the event Contractor or any of its employees, agents or servants violate any rules and regulations of the DOT and/or FMCSA, or any federal or state law or regulation or municipal ordinance and as a result thereof Carrier is fined in any Court or by any governmental agency or entity, Contractor shall reimburse Carrier for any expenses incurred in connection therewith, including reasonable attorney's fees. Should Contractor fail to reimburse Carrier for these stated charges, the Contractor agrees to have all the costs involved deducted from his settlement or security deposit.
 14. Contractor specifically authorizes Carrier to withhold or deduct from any monies due Contractor sums sufficient to reimburse Carrier when such reimbursement is owed to Carrier. Carrier may pursue any and all remedies available by law or equity, including reasonable attorney fees and court cost.
 15. Contractor agrees to conduct all activities and personal conduct under this Agreement in a safe, competent, professional manner and at the earliest time practicable and permissible pursuant to the DOT and/or FMCSA rules and regulations. Contractor further agrees that it will transport no freight using equipment leased to Carrier, operating under the insurance and authority of Carrier without the knowledge and prior consent of Carrier. Otherwise this Agreement is null and void from the time of such unauthorized transportation including payment by Carrier for any such unauthorized transportation.
 16. Contractor agrees to pay Carrier via settlement deductions or deductions from the security deposit interest in the amount of Prime Rate per annum for all items owing Carrier over thirty (30) days.
 17. In the event the Contractor elects to participate in the Carrier's cash advance or fuel card program for the purpose of purchasing fuel and other operational expenses, the Contractor hereby agrees to hold Carrier harmless from any use or misuse of such card or program. Contractor further agrees that such charges will be deducted from Contractor's settlement and/or security deposit. Should the amount of settlement or security deposit be insufficient for Carrier to deduct these charges, Contractor further agrees to pay for these charges and hold Carrier harmless from such. Contractor agrees that all fees associated with the use or administration of this program shall be deducted from Contractor's settlement and/or security deposit.
 18. The Contractor shall be solely responsible for all loading and unloading of any and all commodities or other items or materials to be transported or used to transport commodities pursuant to the terms of this Agreement.
 19. In the event Carrier performs duties associated with a load assigned to or accepted by Contractor, especially but not limited to pickup and delivery, Contractor agrees to pay Carrier, through reimbursement, settlement deduction or security deposit the rate of Carrier's present operating rate, for the services performed. The Contractor will be provided through notation on settlement or other written notice of such charges. Contractor further agrees to pay Carrier, through reimbursement, settlement deduction and/or security deposit deduction any other charges (i.e., loading, unloading, etc.) associated with a load of freight assigned to or accepted by Contractor. The amount of the charge to the Contractor for these services will be the amount charged to Carrier and Carrier agrees to provide sufficient proof to Contractor of the charge.

20. Upon termination of this Agreement, Contractor shall be responsible for returning to the Carrier the trailer assigned to the Contractor by the Carrier. The trailer shall be returned by the Contractor to the Carrier's terminal at Knoxville, Tennessee within 48 hours upon notice of termination, unless otherwise designated by Carrier. Contractor shall be responsible to Carrier for all costs incurred by Carrier in returning trailer to Carrier's terminal or other agreed location. In the event Contractor retains Carrier's trailer or otherwise refuses to deliver possession thereof upon termination of this Agreement, Contractor shall additionally be liable to Carrier in the amount of \$500.00 per day for each day the trailer is held in the constructive or actual possession of Contractor and all costs of collection and recovery of said trailer, including attorney's fees.
21. In the event either party violates any term, condition or provision of this Agreement; that does not render this Agreement null and void, the other party shall have the right to immediately terminate this Agreement unless such right is specifically waived in writing.
22. The terms, conditions and provisions of this Agreement shall be governed by the laws of the State of Tennessee, as to interpretation and performance. The parties agree that Contractor is and shall be an Independent Contractor free from any control of Carrier as to means and methods of accomplishing the results herein contracted for and that there shall be no relationship of employer and employee at any time under any circumstances or for any purpose between Carrier and Contractor or Contractor's drivers, agents, servants or other employees. No Contractor or employee of Contractor shall be considered to be employees of the Carrier at any time, under any circumstances or for any reason. Neither party is the agent of the other and neither party shall have the right to bind the other by contract or otherwise, except as herein specifically provided.
23. Contractor is completely responsible for the collection of freight charges which are on a Cash Freight Collect basis, and for the collection of monies for Collect on Delivery shipments. Contractor agrees to indemnify the Carrier and hold it harmless from any loss arising out of any act or omission of Contractor with respect to the collection of Collect Freight Charges or C.O.D. monies or their equivalent.
24. It is understood and agreed between CONTRACTOR and CARRIER as follows:
- CARRIER does not warrant any gross revenue from any normal or special routing and/or dispatching as a result of entering into any agreement between CONTRACTOR and CARRIER.
 - CARRIER does not guarantee any special routes or dispatching areas other than those deemed necessary by CARRIER in the normal course of business.
 - CONTRACTOR agrees to hold CARRIER free and harmless from any business losses that result from this agreement and understands that no agreement of any kind or statement of any kind shall be valid and binding as it relates to obligations created by and between parties unless the same shall have been reduced to writing and made expressly a part of the lease agreement between the parties.
 - CONTRACTOR states and agrees that CONTRACTOR has not now nor will ever, except through the written approval of CARRIER purchase any equipment for the sole purpose of carrying out this lease agreement.
 - CONTRACTOR stipulates and agrees that CONTRACTOR has not, does not and will not contemplate the purchase or acquisition of any equipment for the purpose of carrying out any contractual agreement between CONTRACTOR AND CARRIER. CONTRACTOR further states that CONTRACTOR was not induced and is not in the process of being induced into entering this agreement with CARRIER based on any representation by and between the parties of any kind or nature other than those contained in the written contract executed by and between parties. It is expressly agreed and understood that no inducements of any kind have been extended from CARRIER to CONTRACTOR for the purpose of entering into this agreement.
 - The CONTRACTOR recognizes and affirms that he has read and fully understands this contract and any schedules hereto. CONTRACTOR further states and affirms that no promise or inducement of any kind, or promise of special favor has been made by the Carrier aforementioned, favoring the CONTRACTOR as operator. The CONTRACTOR further states that he understands the Carrier aforementioned, makes no guarantee of any kind under said contract. The CONTRACTOR further states that he possesses at time of Contract the equipment for which use the contract has been made and that the equipment was not purchased as a result of any inducement or guarantee made by the aforementioned Carrier.
25. CARRIER has received permission from the Interstate Commerce Commission to be a self-insurer pursuant to the regulations of that Commission and the Department of Transportation. There is neither insurance carrier nor insurance coverage provided except for CARRIER'S self-insurance authority. CARRIER provides no uninsured motorist coverage, the same being expressly rejected. Any contractor desiring uninsured motorist coverage should provide the coverage for themselves through an appropriate insurance carrier.
26. CONTRACTOR shall provide a security deposit with CARRIER for the full and complete performance of this contract in the amount of \$1500.00. \$500.00 of the security deposit shall be deposited with carrier upon execution of this agreement and thereafter CARRIER shall withhold \$100.00 per week from CONTRACTOR until deposit is paid in full. This deposit shall not be refundable to CONTRACTOR for any reason during this contract and may be used as payment or partial payment of any unpaid balance due CARRIER hereunder.
27. This instrument represents the entire Agreement between the parties hereto, any representations made to Contractor by Carrier or its employees notwithstanding. Further, Contractor is not required to purchase or rent any product, equipment, or services from Carrier as a condition of entering into this Agreement, or continuing in the Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands, executing this Agreement in duplicate originals, the day and year first above written.


(Contractor)

(Witness)

COLONIAL FREIGHT SYSTEMS, INC.

By: 
(Colonial representative Signature & Title)

(Witness)

THIS AGREEMENT SUPERCEDES AND/OR REPLACES ALL PRIOR AGREEMENTS BETWEEN CARRIER AND THE CONTRACTOR NAMED HEREIN.

RECEIPT FOR RETURN OF VEHICLE: Received of: «Driver Name», the equipment described as :
(Contractor)

Tractor _____, Serial # _____ and/or Trailer # _____ Serial # _____

Date: _____ time: _____ By: _____
(Carrier representative)

INDEPENDENT CONTRACTOR – LEASED OPERATOR or OWNER OPERATOR
"Memorandum of Understanding"

I, THEODUS DAVIS

understand that my relationship with Colonial Freight Systems, Inc., is that of an Independent Contractor or Leased Operator or Owner Operator and NOT an Employee.

1. I understand that I will be responsible for my own federal income tax, state income tax (if applicable), state unemployment tax, social security tax and/or any other applicable state, federal or local tax which may be legally imposed by any governmental entity.
2. I am NOT an employee of Colonial Freight Systems, Inc. (hereinafter "Colonial").
3. I WILL NOT file for UNEMPLOYMENT benefits against Colonial because I know that Colonial is NOT responsible for my unemployment taxes.
4. I have the right to select the freight that I choose to haul.
5. I understand that my choice of loads and/or routes will result in determining whether or not I make a profit or loss. Colonial has made no guarantee or representation to me as to whether I will make a profit or loss. I know that my profitability will be determined by the amount of work that I perform.
6. I understand that I will be paid a percentage of the gross revenue on any load that I elect to haul or a rate per mile, depending upon the payment method that I elect.
7. I will set my own hours, subject to the Federal Motor Carriers Safety Administration (hereinafter "FMCSA") federal hours of service regulations.
8. I will choose my own routes.
9. I am not required to wear a uniform or any other clothing or material displaying the name of Colonial Freight Systems, Inc.
10. I have a valid Commercial Driver's License (hereinafter "CDL") issued by my state of residence. I am responsible for paying all costs associated with obtaining my CDL. If for any reason my CDL is revoked or cancelled, my contract with Colonial will automatically be null and void. I understand that I am subject to federal regulations regarding my CDL and that I cannot operate a Commercial Motor Vehicle (hereinafter "CMV") without a valid CDL.
11. I understand that I must obtain and maintain a current Medical Certificate pursuant to the Department of Transportation federal regulations in order to operate a CMV. Without a valid Medical Certificate my contract with Colonial shall be null and void.
12. I understand that any and all information I provide or that is provided on my behalf to the Medical Examiner must be true and accurate. Any false information will invalidate my Medical Certificate and render my Colonial contract null and void.
13. I have already been trained as an over-the-road truck driver. I am a trained professional truck driver with unique skills and/or equipment, which I have made a substantial financial investment in obtaining.
14. I have met all requirements set forth by the DOT/FMCSA in order to enter a contractual relationship as an Independent Contractor or Leased Operator/Owner Operator and that I am fully qualified to operate a CMV.
15. I understand that I may hire my own employees to perform the duties set forth under my contract with Colonial. I further understand that any employee I hire will be subject to meeting all DOT/FMCSA regulations; i.e. must have a valid Commercial Drivers' License and Medical Certificate and have the proper training and experience to operate the Commercial Motor vehicle. Colonial is required by federal regulations to verify that all drivers who operate CMV's under its authority are properly qualified and experienced.
16. I will operate my CMV in a safe manner with due respect for the safety of the motoring public.
17. I understand that I will be required to turn in my paperwork on each load that I haul in order to be paid for the work I perform pursuant to my contractual agreement.
18. I understand that I must accurately complete a daily log, which must be kept current to my last change of duty status and in compliance with all applicable FMCSA regulations. I also understand that I must abide by the FMCSA applicable federal regulations regarding my hours of service (both on duty and off duty as required by FMCSA regulations). I understand that I may obtain log books from Colonial or purchase my own.
19. I will provide the CMV for lease to Colonial. I will be responsible for and pay all rent or payments in connection with my leased CMV. I will provide the fuel for my leased CMV. I will be responsible for all maintenance and/or operating expenses on my leased CMV. I will also provide any and all tools and/or equipment that I may need to operate said CMV.
20. I understand that I may provide my own Workers' Compensation insurance or I may elect to opt into Workers' Compensation insurance offered by Colonial. If I elect to opt into the Workers' Compensation insurance offered by Colonial, I understand that my eligibility for the Workers' Compensation insurance is based solely upon my contractual agreement with Colonial. I also understand that I must provide true, accurate and complete information to the DOT Medical Examiner in order to be eligible for Workers' Compensation insurance. Providing false, incomplete or misleading information to the DOT Medical Examiner shall render my Colonial contract null and void and therefore render my Workers' Compensation insurance coverage also null and void.
21. I understand that premiums must be paid by me and received by Colonial before Workers' Compensation coverage is effective. I also understand the premium basis shall be as set forth in the Workers' Compensation contract and that I will be responsible for paying 100% of the premiums.
22. I understand the Workers' Compensation insurance offered through Colonial shall be subject to the laws and interpretation of the state of Tennessee and that the venue for resolution of all disputes shall be in Courts of Knox County, Tennessee.
23. I understand that I am NOT an agent or representative of Colonial Freight Systems, Inc.
24. I understand that this is a non-exclusive agreement.
25. I understand that I may elect to opt into various other insurance programs offered by Colonial. I fully understand that I must pay 100% of the premium for any insurance that I elect through Colonial. I also understand that I must pay the premiums for the insurance coverage before such coverage will be effective. A negative settlement shall not constitute payment of premiums.
26. I understand that I may terminate my contract with Colonial at any time; for any reason by giving a 24-hour written notice.
27. I understand that Colonial is a "Zero Tolerance" motor carrier relative to drugs and alcohol and that my contract will automatically be terminated for any offense related to drugs or alcohol.
28. I understand that all motor carriers are required to administer random drug and alcohol tests and that I or my employees will periodically be required by federal regulations (FMCSA) to submit to random testing and that all results must be negative.

I have read and fully understand the above memorandum. By signing below, I agree with the terms and conditions described herein.

Theodus Davis
 (Contractor or Contractor's Driver's Signature)

Dennis Ramsey VP
 (Colonial Representative Signature & Title)

August Bean
 (Witness)

Date: 11-21-14