**EQUIPMENT LEASE AGREEMENT**

SILICON ROADWAYS INC 4341HOWARD ST OAKLAND,CA 94601

Agreement No.

AGREEMENT made this day of ,201 , by and between

Silicon roadways, Inc \_, hereinafter referred to as LESSEE, located at

4341howard st Oakland,ca 94601and

hereinafter referred to as LESSO,Rlocated at

**WITHNESSETH:**

1. LESSEE is a motor contract carrier of property authorized by the Federal Highway Administration by Permit No. MC- 388275 to provide transportation of property under contract with shippers and receivers of general commodities, and
2. LESSOR is the owner of the tractor and trailer equipment described in Appendix "A" and is duly authorized and empowered to execute this agreement.

NOW THEREFORE, in consideration of the representation made herein, the parties agree as follows :

1. The LESSEE hereby leases the equipment and services of LESSOR, owned and described in Appendix "A".LESSOR certifies that equipment subject to this lease meets U.S. Department of Transportation (DOT) safety requirements and standards, and that LESSEE shall inspect such equipment and shall determine that such requirements and standards have been met at the time of execution of this lease.
2. Possession of equipment will be transferred under the terms of this lease from LESSOR to LESSEE beginning at the date and time of execution of this agreement and continue until cancellation is served by either LESSEE or LESSOR in writing. At such time as this lease agreement is terminated, LESSOR agrees to furnish LESSEE with a written receipt to show that LESSOR retakes possession of the equipment.
3. During the tenure of this lease agreement, the LESSEE shall have exclusive possession, control, and use of the equipment, and shall assume complete responsibility for the operation of the equipment for the duration of the lease. LESSOR agrees to properly identify equipment with the Federal Highway Administration's "MC" number and the name of LESSEE.
4. LESSOR agrees to comply with all safety regulations required by the Department of Transportation and the various States in which operations are conducted.
5. In consideration for the use of the equipment and services of LESSOR, the LESSEE agrees to

compensate LESSOR in the amount of of gross revenues minus any brokerage charges and

loading an unloading for each trip ticket. LESSOR will provide any additional permitting necessary to transport a shipment, should LESSOR be unable to obtain permitting the LESSEE will obtain permitting with the cost being deducted from the gross settlement. LESSOR will pay all fuel taxes. LESSOR has a right to examine LESSEE'S documents containing information for determining charges billed to the shipper.

1. Payment shall be made within 15 days after submission of the necessary delivery documents and other paperwork concerning a trip in the service of LESSEE. Delivery documents and paperwork concerning a trip required before the LESSOR can receive payment is defined as driver's logbooks required by the Department of Transportation, and those documents necessary for LESSEE to secure payment from the shipper. LESSEE may require the submission of additional documents by the LESSOR but not as a prerequisite to payment. Payment to the LESSOR shall not be made contingent upon submission of a bill of lading to which no exceptions have been taken. The LESSOR shall not set time limits for the submission by the LESSOR of required delivery documents and other paperwork. LESSOR must complete all trip tickets and reports. Each trip report must be turned in before the next trip is assigned.
2. The LESSEE has a legal obligation and the responsibility to maintain liability and cargo insurance coverage for the protection of the public as required by Federal Highway Administration regulations under 49 U.S.C. 10927, as amended by Public Law 104-88. All insurance cost for the operation of

LESSOR'S equipment while in the service of LESSEE shall be paid by LESSOR. If the cost of the insurance is initially paid by LESSEE, such costs will be charged back in full to LESSOR.

1. The LESSOR is responsible for providing all fuel, meals and lodging, repairs and maintenance to tractor and trailer, tolls, ferries, detention, etc. necessary in the operation of equipment while in the service of LESSEE. If it becomes necessary for LESSEE to pay or provide any item that LESSOR is responsible for, the LESSEE has the right to deduct such cost from the LESSOR's compensation at the time of payment or settlement. If such deduction becomes necessary, then LESSEE will provide LESSOR with a full explanation and/or documentation as to how the amount of each item is to be computed. The LESSOR is not required to purchase or rent any products, equipment, or services from LESSEE as a condition of entering into this lease agreement.
2. It is the duty of the LESSOR to properly determine the condition of the freight at the time such freight is picked-up from the shipper, and a further duty to transport the shipment to its destination in as nearly that same condition as when it was picked-up. The LESSOR will inspect all shipments at the time of loading and mark any exceptions or conditions on the bill of lading or receipt. At the destination, the LESSOR will again inspect the freight with the consignee and mark on the delivery receipt any

exceptions to the condition or damages to the shipment that occurred during transit. Delivery receipts will be turned in to the LESSEE as part of the documentation required for payment. The LESSEE has a right to deduct for damages of freight in transit caused by LESSOR and not reimbursed by insurance. The LESSEE will provide a written explanation and itemization of any deductions for cargo or property damage made from compensation to LESSOR.

1. The DRIVER is responsible for loading and unloading freight to and from the trailer, unless proper notations are made on the bill of lading that the driver is responsible.
2. Escrow funds or moneys placed on deposit with LESSEE by LESSOR are not required under the terms of this agreement.
3. LESSOR shall in case of accident notify LESSEE immediately of said accident so that LESSEE may assist in obtaining and directing an insurance company adjuster and representative to the scene of the accident; LESSOR shall also assist in the provide LESSEE with sufficient information in giving notice to all authorities as provided by law.
4. The LESSOR shall be liable for the entire loss or damage to cargo and third person or property

resulting from negligent, willful or intentional act of the LESSOR, his agent or employees. This shall include, but is not limited to, colliding with overhead structures, and cargo loss due to improper or negligent securing by the LESSOR, his agents or employees. In the event either party commits as material breach of any terms of this Agreement, the other party shall have right to terminate this Agreement immediately and hold the party committing the breach liable for damaged, including all court costs and attorney's fees. LESSOR shall immediately return all accessorial items furnished by the LESSEE.

1. It is agreed that the services of LESSOR under the terms of this lease agreement isthat of an independent contractor and that no "employee-employer" relationship exists between LESSOR and LESSEE. LESSOR is therefore responsible for providing his own workmen's compensation insurance, employment and income taxes, etc. Further, any drivers or employees of LESSOR are the complete responsibility of the LESSOR.
2. LESSOR shall deposit with LESSEE, prior to commencement of any freight transport under this Agreement, a performance cash bond or cash escrow fund in the minimum amount of$ 1,000 for each tractor covered by this Agreement, to guarantee called for by this Agreement. This fund may be applied to any shortages in the LESSOR'S account for monies advanced. While this escrow fund is under the control of the LESSEE, the LESSOR will be provided with a full accounting of any deductions involving such fund by clearly indicating in individual settlement sheets the amount and description of any deduction or addition made to the escrow fund. The LESSOR shall have right to demand an accounting

for transactions involving the escrow fund at any time.

1. This lease agreement may be canceled upon written notice by either LESSOR or LESSEE. I t is agreed that any loads in transit will be delivered prior to cancellation and all required paperwork will be turned in prior to final settlement. Any costs incurred by LESSEE to complete the delivery of a load in transit will be charged to the LESSOR The LESSOR agrees to remove identification signs or devices from the equipment upon the termination of the lease and return such signs or devices to the LESSEE. If identification has been painted directly on the equipment, then LESSOR agrees to furnish a photograph of both sides of the equipment showing identification has been removed or painted over. Failure to furnish evidence of the removal of identification from the equipment will result in the withholding of the final settlement.
2. This AGREEMENT is to become effecti ve \_, and shall remain in effect for a period of one year from such date, and from year to year thereafter, subject to the right of either party hereto to cancel or terminate the AGREEMENT at any time with written notice of one party or the other. INWITNESS WHEREOF, this agreement has been entered into and executed by duly authorized representatives of LESSOR and LESSEE.

LESSOR\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_

LESSEE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TITLE DATE:.............................................................

# THIS IS TO CERTIFY THE FOLLOWING DESCRIBED EQUIPMENT

TYPE UNIT# MAKE YEAR SERIAL# LICENSE#

Owned By:

NAME:

Is being operated by SILICON ROADWAYS INC 4341HOWARD ST,OAKLAND CA,94601on this date of

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*fora* period of time beginning this date and continuing

thereafter until said contract shall be completed or cancelled. This certificate shall be considered as valid and in force and effect as long as it is in the possession of said owner, his agent, and employee unless notice of cancellation hereof has been filled with the State Board Commission of Official (or the

Governor, if there is no such State Board of Commission of official) having jurisdiction over the business of transportation by motor vehicle of each state in which. SILICON ROADWAYS INC

operates.

The commodities to be transported include those commodities SILICON ROADWAYS INC is authorized to transport under its certificate authority received from the Interstate

Commerce Commission, and any and all commodities the transportation of which requires no such certificate authority.

The LESSOR for the purposes of Interstate Commerce Commission regulations acknowledges

receipt of the following equipment to be use by the LESSEE and the LESSOR under their agreement, once the prescribed equipment conforms to and meets the requirements of all applicable Federal and State laws and the rules and regulations of the Interstate Commerce Commission.

The original of the contract of \_/ 4341HOWARD ST,OAKLAND CA,94601

\_,/

is kept at the office of SILICON ROADWAYS INC

By:

LESSEE LESSOR TITLE

**TO WHOM IT MAY CONCERN:**

### This Is to certify that the Federal Highway Use Tax for year has been paid and that the

undersigned will be responsible for payment of future years Federal Highway Use Tax on the below described equipment:

TYPE UNIT# MAKE YEAR SERIAL# LICENSE#

Date:

**By:**

LESSEE LESSOR

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**HOLD HARMLESS AGREEMENT**

This agreement is to verify that SILICON ROADWAYS INC operating leased

equipment In States', hauling general commodity

freight, does not authorize or condone unauthorized passengers in any of its leased equipment. An

unauthorized passenger Is someone who has not been properly qualifies and approved by SILICON ROADWAYS INC as a driver allowed to be in equipment leased by SILICON ROADWAYS INC 4341 HOWARD ST,OAKLAND CA,94601

The undersigned further agrees to hold SILICON ROADWAYS INC. its Agents,

Employees, and Insurance Carriers Harmless from any claims, injuries, or suits arising directly or indirectly because of an unauthorized passenger on SILICON ROADWAYS INC premises or

in its vehicles.

DATE

LESSEE LESSOR

TITLE

STATEMENT OF OWNER/OPERATOR STATUS

Owner/Operator

Address

The purpose of this form is to document the above Owner/Operator as a sole proprietor, not subject to the Worker's Compensation law, and therefore do not pay for Worker's Compensation coverage.

-I am a sole proprietorship.

-As a sole proprietor, I do not have any employees and do not pay any labor expenses.

-I am the owner and operator of the truck used.

-I pay my own business operations expenses.

-I acknowledge that as a sole proprietor, I am not, by law, subject to the Worker's Compensation act.

-If any of the above should change, I will notify you prior to performing the next job.

DATE

LESSOR

Note:This form should be reviewed periodically for changes in the Owner/Operator status.

DEDUCTIBLE AGREEMENT

Driver Employed with SILICON ROADWAYS INC Hereby Agrees and understands that a(2) two week prior notice is to be given with• SILICON ROADWAYS INC Before leave of the Company. A

$1,000.00 Deductible will beheld for a period of (3) three months then returned to me.

Driver Employed with SILICON ROADWAYS INC Herby Agrees and understands that is a(2) two week notice prior to leaving SILICON ROADWAYS INC Is not given the deductible of ($1,000.00}

thousand will be kept for expenses brought and will not be refundable to the employee.

In witness whereof, the parties have duly executed this Agreement.

DATE

LESSEE LESSOR

TITLE

#### CERTIFICATION OFRECEIPT OFHOURS OFSERVICE Regulation

This is to certify that (Lessor) has received a copy of the Federal Motor Carrier Safety Administration Interstate Truck Driver's Guide to Hours of Service

Guide. Lessor also certifies that he understands the hours of service regulation and agrees to comply.

Failure to comply with said regulation will result in a safety review. Failure to comply can result in termination of this lease agreement.

DATE

LESSOR

**CANCELLATION** NOTICE

This letter certifies the cancellation of the owner operator lease agreement

between (Lessor) and SILICON **ROADWAYS** INC (Lessee). The Lessor can no longer operate under the Lessee's authority.

This cancellation has been in effect since (date)

LESSEE LESSOR

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