

INDEPENDENT CONTRACTOR AGREEMENT
For Owner-Operators

Between Carrier King Cole Express, Inc.
6065 Parkway North Dr, Ste 200, Cumming, GA 30040-1617
Phone: 877-353-4811 Email: Carriers@kcetb.com

This Agreement is made and entered into on the date signed at the end of this document (the “Effective Date”), by and between King Cole Express, Inc., a Georgia corporation, with its principal place of business at 6065 Parkway North Dr., Ste 200, Cumming, GA 30040-1617 (the “Carrier”), and the signer at the end of this document (the “Independent Contractor” or “Contractor”).

1. Provision of Services.

- a. Contractor. The Contractor is engaged in the independent business of transporting freight in interstate and intrastate commerce by motor vehicle on behalf of and pursuant to agreements with private, contract or common carriers or shippers.
- b. Carrier. The Carrier is in the business of offering and providing motor carrier services to the shipping public and desires to retain the equipment and driver services of the Contractor to meet its transportation commitments.
- c. Services. The Contractor agrees to provide driver services to the Carrier to transport freight according to the Carrier’s dispatch schedules, the delivery procedures stated in this Agreement, and in accordance with all applicable U.S. Department of Transportation (DOT) regulations. The Contractor agrees to furnish the equipment together with drivers and all other necessary labor to transport cargo on behalf of the Carrier, or on behalf of such other certified carriers as the Carrier may designate through an authorized “trip lease” or other interchange agreements.

2. Independent Contractor Status. The Independent Contractor acknowledges and agrees that it is an independent contractor and not an agent or employee of the Carrier. The Independent Contractor agrees and acknowledges that the Carrier shall retain no control or supervision over its work and that it has the sole discretion to determine when, during what hours, and at what location the Independent Contractor will perform services, and the methods and techniques that will best accomplish the services to be provided under this Agreement. This

Agreement is not intended to prevent the Independent Contractor from performing services for other entities and individuals. The Contractor may at its option decline any load or shipment offered by the Carrier.

The Independent Contractor acknowledges that it has had the opportunity to consult with counsel of their choice prior to entering into this Agreement. The Independent Contractor represents and warrants that it understands the difference between an employee and an independent contractor.

3. Assistants. The Contractor retains sole discretion to utilize assistants and employees to perform any portion of the services contemplated by this Agreement. The Contractor agrees to assume full liability for all payments to and tax withholding for all assistants and employees. The Contractor assumes full responsibility for compliance with all applicable state and federal employment laws with respect to its assistants and employees.

- a. Term and Renewal. This Agreement shall remain in effect for six (6) months from the Effective Date and shall automatically renew, unless written notice of non-renewal is provided by either party. Such notice shall be given at least fifteen (15) days in advance of the renewal date in accordance with the terms of Section 28 of this Agreement and shall be in the form of the 'Independent Contractor Agreement Notice of Non-Renewal/Termination' attached hereto and incorporated as Addendum B. The date of notice shall be determined from the date of postmark on the notice mailed by the non renewing party, the date of the e-mail containing the notice, or the date of hand delivery of the notice. The fifteen (15) day minimum notice period shall be calculated using calendar days, including weekends and holidays in the notice period. This term shall not affect the ability of either party to terminate the agreement at any time prior to the expiration of the term for any reason as set forth below in Section 5 of the Agreement.

4. Termination

- a. Notice. In the event a party decides to terminate the agreement the parties agree to provide 24-hour written notice of termination of this agreement except as otherwise provided in this Agreement. Such notice shall be in the form attached hereto as **Addendum A**. The date of notice shall be determined from the date of the postmark on notice mailed by the terminating party, the date of the e-mail containing the notice, or the date of hand delivery.
- b. Return of Property. Upon termination of this Agreement, the Independent Contractor must return all property of the Carrier including, but not limited to, rented trailers, fuel cards, plates, toll cards, mobile radios, satellite

equipment, Carrier's signs, paperwork, missing logbooks, and original Bills of Lading. If the Carrier's property is not returned within 24 hours after notice of termination, the Carrier may repossess such property and Independent Contractor shall be responsible for the costs and expense incurred by Carrier to locate and repossess the property.

- c. Immediate Termination & Possession of Cargo. If, in Carrier's reasonable judgment, Independent Contractor has subjected Carrier to liability because of Independent Contractor's acts or omissions, Carrier may take immediate possession of the freight/cargo entrusted to Independent Contractor and complete performance of delivery. In such event, Independent Contractor will waive any recourse against Carrier for such action and reimburse the Carrier for all direct or indirect costs, expenses, damages, or attorneys' fees incurred by Carrier as a result of the Carrier taking possession of the lading and completing performance.

5. Payments

- a. Payment Amount. Carrier agrees to pay, and Independent Contractor agrees to accept as full and complete payment the compensation set forth in **Addendum B** ("Schedule of Payment"), which is attached to and incorporated in this Agreement, in exchange for use of the Equipment and/or for performance of the Services contemplated by this Agreement. Such payment shall constitute the total compensation under this Agreement.
- b. Documentation. If the compensation is based upon commission of revenue, Carrier agrees to provide the Independent Contractor, before or at the time of settlement, a copy of the rated freight confirmation. In addition, the Independent Contractor will have the right to examine copies of the Carrier's tariffs, freight bills, or other documents to the extent needed to confirm compensation owed to the Independent Contractor.
- c. Time of Payment. Compensation to be issued each Friday following the previous Monday's document submission. If paperwork submission cutoff is missed, which is each Monday at noon EST, then payment for that week's work will be delayed until the following Friday.
- d. Settlement Statements. Carrier will complete a settlement statement for the Independent Contractor following each trip. Settlement statements will include all freight trips completed, fuel charges if the Independent Contractor is using company fueling cards, and remaining recurring charges such as trailer rental, insurance, IFTA, or any other charges incurred.

- e. Withholding Until Carrier Identification Removed. With respect to final settlement upon termination of this Agreement, if the Independent Contractor fails to remove and return to Carrier all identification devices of the Carrier or fails to send a letter certifying their removal, this will entitle the Carrier to withhold any payments owed to the Independent Contractor, including any security deposits, until such obligation is met as permitted by 49 C.F.R. §1057.12(f).
 - f. Settlement Dispute. If a settlement payment is disputed, the Independent Contractor must notify the Carrier in writing within sixty (60) days from the date of payment or its dispute shall be waived.
6. Chargebacks. Carrier will charge back to the Independent Contractor at the time of payment or settlement, any liability or expense the Carrier has incurred or paid as set forth in this Agreement. Such expenses will be deducted from the amount of the Independent Contractor's compensation and shall include:
- a. Deductions for fuel consumption when purchased through a company issued fuel card.
 - b. Deductions for insurance which may include cargo, liability, auto, life, and/or disability insurance when the policy in effect has been provided by the carrier. (Refer to **'Addendum C'** for current amounts.)
 - c. Deductions for the driver's maintenance account. (Refer to **'Addendum C'** for current amounts.)
 - d. Any fines or penalties imposed upon the Carrier as a result of violations by the Independent Contractors including penalties for overweight trailers due to driver negligence, late fees incurred as a result of the Independent Contractor's negligence or violations of logbook and inspection requirements. Specifically, safety-related violations shall be considered a breach of this Agreement.
 - e. Any losses or expense incurred by Carrier as a result of its inability to collect freight charges earned due to Independent Contractor's failure to properly complete and submit paperwork and documents in a timely manner;
 - f. Any loss or damage to property or cargo, or any other losses or expenses which Carrier may incur or for which it may be held liable as a result of the Independent Contractor's conduct;
 - g. Deductible amounts on claims against Liability and Cargo insurance policies when it is found to be the fault of the Independent Contractor or its drivers

a sum equal to any deductible for each incident, which is currently \$2,500.00, with the deductible for Comp and Collision at \$1,000, but is subject to change during the term of this Agreement..

- h. If this Agreement is terminated or expires, the Carrier shall have thirty (30) days to verify the account of the Contractor and the appropriate deduction from any final settlement from the date of termination or expiration of this Agreement, or from submission by the Contractor of necessary paperwork required for payment, whichever is later.
7. Costs of Operation. Except as otherwise specifically provided in this Agreement, Independent Contractor shall furnish, provide and pay all costs of operation of the Equipment, including but not limited to:
- a. Preventative maintenance and repair, fuel, and other operating parts and supplies with respect to the Equipment, including DOD inspections;
 - b. All expenses with respect to the Independent Contractor's Employees, including, but not limited to, wages, benefits and federal and state taxes (including, but not limited to, estimated federal social security, state and federal income, and state unemployment compensation taxes). Independent Contractor expressly acknowledges that it is not covered by Carrier's unemployment compensation coverage;
 - c. All ferry, bridge and highway tolls;
 - d. Empty mileage expenses;
 - e. All expenses incurred for background checks, physical examinations and drug tests;
 - f. Base plates, including apportioned or prorated base plates, fuel permits, fuel taxes and fuel tax reporting and all other permits required to operate the Equipment; and
 - g. Fines and penalties arising out of the operation of the Equipment. Carrier will have the duty to determine whether a load is in compliance with the size and weight laws of all states through which the Equipment will travel. Independent Contractor must be able to identify if a load is not within the dimensions as stated by Carrier and must notify Carrier of such observation. Independent Contractor must notify Carrier if its travel route has changed to include additional or other states, as the Carrier must obtain any overweight/over dimension permits before commencement of the haul.

8. Lumping and Detention. Whenever a shipper or a consignee requires that Independent Contractor be assisted in the loading or unloading of property transported on behalf of the Carrier, the Carrier shall pass through to Independent Contractor any compensation it receives from such shipper or consignee for any costs associated with such requirement. Otherwise, Independent Contractor shall be responsible for the loading or unloading of such property at Independent Contractor's expense. Further, detention charges that are collected by Carrier shall be directly paid to Independent Contractor in accordance with its compensation percentages. Carrier is entitled to all other accessorial charges.
9. Purchases or Leases from Carrier. THE CONTRACTOR SHALL NOT BE REQUIRED TO PURCHASE OR RENT ANY PRODUCTS, EQUIPMENT OR SERVICES FROM THE CARRIER AS A CONDITION OF ENTERING INTO THIS AGREEMENT.
10. Inspections and Logbooks. It is agreed that part of the services contracted as stated in Section 1(c) of this Agreement, the Contractor, through its drivers, shall inspect all Equipment and cargo/freight in accordance with 49 C.F.R. 396.1 et. seq.
 - a. Pre-Trip Inspection. Contractor agrees its drivers shall complete a pre-trip inspection for each load accepted according to DOT regulations. Contractor agrees to notify the Carrier of any problems observed during the inspection.
 - b. Loading/Cargo Inspection. Contractor agrees that its drivers shall monitor the loading of any cargo/freight when able. Contractor shall verify the load count and report any damage, defect, shortage or other irregularity of the packaging or products loaded to the Carrier immediately, so that a record of any such issue is made and resolved properly.
 - c. Weight. Contractor agrees that its drivers will check the weight of each load accepted at the nearest scale and will notify the Carrier if it is overweight immediately, so the load can be returned and adjusted to the proper weight.
 - d. Dropping Load. Contractor agrees that no driver shall drop a loaded trailer unless otherwise coordinated and approved by the Carrier. Contractor acknowledges that cargo insurance only covers loss when a trailer is hooked up to the Equipment. As such, Contractor agrees to be liable for any damage or loss incurred when a trailer is unhooked without coordination with the Carrier.
 - e. Refrigeration. Contractor agrees its drivers shall check the condition of any refrigerated load accepted every two (2) hours and shall specifically check

the temperatures required by the shipper and the fuel levels in the trailer.

- f. Roadside Inspections. Contractor agrees that it shall deliver any roadside inspection report received while Equipment is being operating pursuant to this Agreement to the Carrier within forty-eight (48) hours of such inspection.
- g. Delay. Contractor agrees that its drivers shall notify the Carrier as soon as possible in the event a shipment is delayed and cannot make the shipping deadline.
- h. Post-trip Inspections. Contractor agrees that its drivers shall prepare a daily written post-trip inspection report at the end of each driving day which will cover at least the following parts and accessories:
 - i. Service brakes (including trailer brake connections)
 - ii. Parking (hand) break
 - iii. Steering mechanism
 - iv. Lighting devices and reflectors
 - v. Tires
 - vi. Horn
 - vii. Windshield wipers
 - viii. Rearview mirrors
 - ix. Coupling devices
 - x. Wheels and rims
 - xi. Emergency equipment
- i. Hours of Service & Logbooks. Contractor acknowledges that 49 C.F.R. Part 395 requires Carriers and drivers to maintain specific hours of service and to log driver time accordingly. As such, Contractor agrees that its drivers shall provide complete logbooks for all loads carried pursuant to this Agreement to the Carrier upon completion of each trip. Contractor further agrees that its drivers will abide by the requirements of service set forth in 49 C.F.R. 395.1 et. al. An overview of federal requirements for hours of service is included in **Addendum C**.

11. Accidents and Claims.

- a. Accident Guidelines. A suggested accident protocol is attached to this Agreement as **Addendum D**. The Contractor may utilize additional or other reasonable methods of securing the scene and responding to an accident, however the Contractor must meet minimum federal and state safety standards for reporting accidents.
- b. Accident Reports. Independent Contractor shall immediately report any

accident or potential claim to Carrier involving operations under this Agreement. A police report shall be submitted to the Carrier, along with a full written Accident Report Form covering each occurrence, as required by ICC and DOT regulations.

- c. Cooperation. Independent Contractor shall cooperate fully with Carrier with respect to any insurance claim, legal action, regulatory hearing or other similar proceeding arising from the operation of the Equipment, the relationship created by this Agreement, or the services performed hereunder.
 - d. Post-Accident Drug and Alcohol Testing. Independent Contractor acknowledges and understands that pursuant to 49 C.F.R. §382.303 drivers must be tested for alcohol and controlled substances directly after an accident involving a (i) loss of life, (ii) bodily injury where treatment was given away from the scene of the accident and the Independent Contractor received a citation (within 8 hours of the accident for alcohol testing or within 32 hours for controlled substance testing), or (iii) if one of the vehicles has disabling damage and the Independent Contractor received a citation (within 8 hours of the accident for alcohol testing or within 32 hours for controlled substance testing). The Carrier also must be provided with the record of any such testing.
12. Cargo Claims. Independent Contractor agrees that cargo tendered to Independent Contractor will be delivered to the consignee with reasonable diligence, speed, and care. Independent Contractor will be responsible for any claims resulting from cargo loss, damage, delays, or shortages, occurring while such cargo is under Independent Contractor's care, custody, or control to the extent that Carrier is responsible for such loss, damage, or delay under the terms of any applicable tariff or agreement.

If the loss, damage, or delay is covered by Carrier's cargo insurance policy, Independent Contractor's liability for such claim will be limited to \$1,000.00 per occurrence; provided, however, that any loss, damage, or claim arising from Independent Contractor's gross negligence or intentional misconduct, as determined by Carrier in its reasonable discretion, will be the complete and total responsibility of the Independent Contractor. Carrier will provide Independent Contractor with a written explanation and itemization of any deduction for cargo loss or damage or delays in transportation made from any compensation or trip settlement owed to Independent Contractor at or before the time of deduction.

13. Other Claims/Equipment Damages. Independent Contractor will be liable for the first \$1,000.00 of any loss, damage, or claim arising from Independent Contractor's performance under this Agreement; provided, however, that any loss

damage, or claim arising from Independent Contractor's gross negligence or intentional misconduct shall be the complete and total responsibility of Independent Contractor. Independent Contractor will be liable for, and pay all direct, indirect and consequential damage, including but not limited to, towing charges and reasonable attorneys' fees, arising out of, or in connection with, Independent Contractor's use of: Carrier's trailers, Carrier's customer's trailers, or other equipment of the Carrier.

Carrier may deduct any obligation of Independent Contractor resulting from any such damage from Independent Contractor's settlement provided Carrier provides the written notice said deduction. Independent Contractor hereby authorizes Carrier to deduct from Independent Contractor's settlement any sums owed to the owner for any equipment damage or maintenance performed by the owner or lessor on any equipment necessitated by Independent Contractor's use of said equipment provided Carrier provides written notice of said deduction.

14. Passengers. As required by 49 C.F.R. §392.60, Independent Contractor will not allow any passenger to ride in the Equipment unless authorized in advance in writing by Carrier's Safety Management personnel. The authorization form is provided separately.

15. Insurance. The respective obligations of the parties for providing insurance coverage under this Agreement are set forth in **Addendum E**.

16. Representations of Contractor.

- a. Compliance with the Law. The Contractor represents and warrants that all operations performed in the service of the Carrier will be in full compliance with Department of Transportation safety regulations. The Contractor further represents that it will comply with all state weight laws and will not accept loads in excess of the limits allowed by each state through which equipment may travel while performing services under this Agreement. The Contractor also represents that it will comply with all applicable traffic and parking laws while the Equipment is being operated pursuant to this Agreement.
- b. Driver Qualifications. The Contractor represents that it, as a sole driver, or as an employer with multiple drivers, meets the driver qualification requirements pursuant to 49 C.F.R. 391 et. seq. The Contractor shall furnish a complete set of records for each of its drivers for the Carrier's Qualification File as required by 49 C.F.R. 391.51, which shall include the following:
 - i. Driver's Application;
 - ii. Driver's Record from State Agency;

- iii. Driver's Road Test Certificate or Equivalent;
- iv. Inquiry to State Agencies for Driving Record;
- v. Annual Review of Driving Record;
- vi. Annual Driver's Certification of Violations; and
- vii. Medical Examiner's Certificate;

OR, if applicable,

- c. Driver Qualification for Multiple-Employer Drivers, with Medical Examiner's Certificate, Road Test, Certificate of Road Test, and Controlled Substances Test.

17. Income Taxes. Neither federal, state, nor local payroll taxes of any kind, nor state disability insurance will be paid or withheld on behalf of the Independent Contractor or its employees. The Contractor will not be treated as an employee with respect to the services performed under this Agreement for federal or state tax purposes. The Independent Contractor understands that it may be liable for self-employment (social security) tax to be paid as required by law.

18. Benefits. Because the Independent Contractor is engaged in its own independently established business, the Independent Contractor is not eligible for, and shall not participate in, any employee fringe benefit plan provided by the Carrier to its employees, including but not limited to sick pay, vacation pay, group medical and dental coverage, pension, and profit sharing.

19. Workers' Compensation. NO WORKER'S COMPENSATION INSURANCE WILL BE PROVIDED BY THE CARRIER FOR THE CONTRACTOR OR ANY OF ITS EMPLOYEES. THE CONTRACTOR AGREES TO OBTAIN WORKERS' COMPENSATION INSURANCE FOR ALL OF ITS EMPLOYEES AND TO PROVIDE THE COMPANY WITH A CERTIFICATE OF WORKERS' COMPENSATION INSURANCE COVERAGE, AS PERMITTED BY APPLICABLE LAW.

20. Indemnification. Independent Contractor will indemnify, defend, and hold harmless the Carrier, and its agents, heirs, and assigns from and against:

- a. Any and all claims brought against Carrier and any and all liabilities incurred by Carrier for or on account of bodily injury or property damage in manner caused by incident to or growing out of any act or omission of the Independent Contractor or any of its employees in connection with this Agreement or the use or operation of the Equipment;
- b. Any loss or damage to property or merchandise tendered to Independent Contractor in connection with the Services under this Agreement caused by incident to or growing out of any act or omission of the Independent Contractor or any of its employees in connection with this Agreement or

the use or operation of the Equipment;

- c. Any claims brought against Carrier arising out of breaches or alleged breaches of agreements between Independent Contractor and any third parties (including, but not limited to the Independent Contractor's employees); and
 - d. Any claims brought against Carrier by an Employee of the Independent Contractor or government agency related to work-related accidents, workers' compensation claims, withholding and unemployment taxes or any other actions arising out of the relationship between Independent Contractor and its Employee(s).
 - e. Except as otherwise specifically provided in this Agreement, Independent Contractor will not be obligated to indemnify Carrier to the extent that Carrier recovers for loss or damage under insurance policies provided under this Agreement.
21. Prevailing Party. Should either party institute any action or proceeding to enforce this Agreement or any provision of this Agreement, or for damages by reason of any alleged breach of this Agreement, the prevailing party in any such action shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.
22. Agency. The Contractor has no authority to bind the Carrier, to enter into any contracts or agreements on behalf of the Carrier, or to represent that it has the authority to do so. This Agreement does not create a partnership, joint venture, or loaned servant arrangement between the parties.
23. Entire Agreement. This Agreement, together with all schedules, addenda, and attachments, constitutes the sole and entire agreement between the parties and supersedes all prior agreements and undertakings, oral and written, expressed or implied, or practices, between the parties, and expresses all obligations and restrictions imposed on each of the respective parties during its term.
24. No Waiver. Either party's failure to insist upon strict performance of any provision of this Agreement or exercise any right under this Agreement will not be construed as a waiver of such provision or right, nor will such failure excuse the other party from future performance.
25. Notices. All notices under this Agreement MUST be in writing and are effective when delivered in person, by certified or registered mail (return receipt requested), by prepaid express delivery service, or by e-mail to the relevant undersigned party at its address provided in this Agreement, or at such other

address as such party may from time to time specify in writing. The minimum notice period shall be calculated using calendar days, including weekends and holidays in the notice period.

26. Successors. This Agreement shall be binding on and inure to the benefit of the parties' and their heirs, successors, and assigns.

27. Applicable Law & Venue. This Agreement shall be governed by and interpreted under Georgia law. Any lawsuit relating to this Agreement between the parties shall be brought in the United States District Court for the State of Georgia or the Circuit Court of Forsyth County.

28. Carrier Policy. The Independent Contractor acknowledges that the Carrier maintains certain routine practices as to driver conduct to ensure compliance with ICC and DOT regulations. These policies are set forth herein as Addendum E, which is attached hereto and incorporated herein.

29. Severability. If any provision of this Agreement is held to be invalid or unenforceable, that provision shall be severable, and the remaining provisions of the Agreement will be fully enforceable.

30. Amendments. Any changes, additions, or amendments to this Agreement shall only be enforceable if made in writing and agreed to by both parties.

AGREED:

King Cole Express Inc.
Carrier

Independent Contractor

Eddie Cole Jr
Print Name

Print Name

Signature

Signature

Date

Addendum A

**INDEPENDENT CONTRACTOR AGREEMENT NOTICE OF NON-RENEWAL/TERMINATION
(To be provided to King Cole Express, Inc. prior to initiating
termination of the agreement)**

This **Addendum A** hereby provides notice that the undersigned party to the Independent Contractor Agreement and Lease (the "Agreement") between King Cole Express, Inc. (the "Carrier") and the undersigned (the "Independent Contractor"), which was originally executed on _____ [insert date], desires to terminate and not renew the Agreement as of _____ [termination date]. This notice shall be delivered to the other party at least fifteen (15) days prior to the non-renewal date and 24-hours prior to the termination date. This Notice does not waive any rights and obligations of the parties under the Agreement which may be enforceable after the Agreement's termination date.

AGREED:

King Cole Express Inc.
Carrier

Independent Contractor

Eddie Cole Jr
Print Name

Print Name

Signature

Signature

Date

Addendum B

SCHEDULE OF PAYMENT

King Cole Express, Inc. (the "Carrier") agrees to pay the undersigned (the "Independent Contractor") a percentage of each load as described below, minus applicable security deposit, cargo liability insurance and insurance deduction, fuel card payments, or any other charge backs, if any.

(a) Documentation Required. Independent Contractor must submit all original Bill of Ladings, signed delivery receipts, lumper receipts, and all other documentation required for the Carrier to receive/calculate the settlement.

(b) Time of Payment. Pursuant to Section 5 of the Independent Contractor Agreement, compensation is to be issued not later than seventy-two (72) hours after the Independent Contractor submits the necessary delivery documentation to the Carrier.

(c) Percentage: **75% of each load minus deductions.**

AGREED:

King Cole Express Inc.
Carrier

Independent Contractor

Eddie Cole Jr
Print Name

Print Name

Signature

Signature

Date

Addendum C

CARRIER POLICIES

This **Addendum C** sets forth certain notices and Carrier policies referred to in the terms of the Independent Contractor and Lease Agreement (the "Agreement"). This Addendum C is designed to provide the Independent Contractor and all of its employees with information regarding the operational policies, safety policies, and general practices of the Carrier.

It is not the intent of the Carrier to list all policies and procedures and applicable federal and state regulations in this Addendum C, and it is also understood that all information contained herein is subject to change at the discretion of the Carrier. As such, additional policies may be issued to amend or supplement this Schedule.

DRIVER ONBOARDING

Each potential new driver shall adhere to all onboarding policies and requirements prior to commencing their employment. These policies include:

1. Completing the registration for the DOT Clearinghouse and submitting to any required drug and alcohol screenings.
 - a. Our current insurance policy holder, Mojave Insurance, requires that each driver submit to a hair follicle drug screening within 30 days of employment, should you choose to use their insurance.
 - b. DOT requires that each driver submit to a urine drug and alcohol screening if one has not been conducted within the past 30 days.
 - c. In order to comply with both requirements, we will attempt to schedule one Quest appointment where the driver can submit to both tests in order to satisfy all of the testing requirements by both organizations.
 - d. King Cole Express Inc. will pay for the DOT Clearinghouse drug screening, while the driver/truck owner will be responsible for paying for the Mojave hair follicle test requirement should they elect to use that insurance.
 - e. Mojave also charges \$1000 for the initial payment which covers the cost of their camera requirement. They will provide the camera, and it remains the property of the purchaser at the time of separation from the Carrier. Additionally, Mojave charges \$90 for the hair follicle test. Both of these charges will be the responsibility of the driver/truck owner.
2. Ensure that you are using an approved ELD.
3. Ensure that you have submitted all required documents including a copy of the

Independent Contractor Agreement, the driver profile, a copy of the most recent DOT physical, a copy of your CDL, a copy of your W-9 form, and a copy of your ACH direct deposit form.

4. King Cole Express requires that a King Cole Express decal be placed on each door of the tractor. King Cole Express Inc will pay for and supply the decal.

COMPENSATION DEDUCTIONS

Each driver can anticipate the deductions will affect their total compensation as per section 7 of the agreement. These deductions may include:

1. Deductions for the actual amount of fuel that was consumed and charged to the company issued fuel card.
2. Deductions for your maintenance account. This account will hold your funds and is to be used for the maintenance and upkeep of your vehicle only. The current amount being deducted will be \$150 per week until the account reaches a balance of \$10,000, at which time no further deductions for maintenance will occur. All of the funds in this account belong to the driver and the remaining balance, less any current maintenance charges, will be returned to the driver/truck owner in full at the termination of their employment.
3. Deductions for insurance. Maintaining current cargo and liability coverage is a requirement. Each driver/truck owner has the option of providing the coverage themselves, or taking advantage of a lower priced option that is provided through the Carrier.
 - a. Cargo and liability coverage is currently available for \$1180 per month and will be deducted weekly at a rate of \$295 per week regardless of the amount driven.
 - b. Auto damage coverage is optional but recommended. If provided through the Carrier, the price is to be determined based on the value of the vehicle.
 - c. Life and disability coverage may also be available through the Carrier.
 - d. Solo 401k retirement deductions may be available through the Carrier.

POST-TRIP DOCUMENT SUBMISSION

After each load has been safely delivered, the driver is to obtain a legible signed copy of the Bill of Lading (BOL). Within an hour of obtaining all of the documentation, the driver

will then use Cam-scanner to scan and transmit a legible copy of the BOL, as well as any additional documents, such as signed lumper charges or signed detention forms, to the acting dispatcher for that load. The driver shall maintain a copy of each document for their records.

ANTI-DRUG AND ALCOHOL POLICY

As required under Regulations adopted by the U.S. Department of Transportation, the Carrier has adopted a policy on the use of controlled substances and the misuse of alcohol (the "Policy") as follows:

Any Employee, helper or other worker provided by the Independent Contractor who is performing a safety sensitive function for the Carrier will be subject to testing for use of controlled substances and misuse of alcohol as required under Title 49 Part 382 of the U.S. Code of Federal Regulations ("Regulations"). Pre-performance under this Agreement, post-accident, random and reasonable suspicion testing will be required as provided in the Regulations.

Part 382 requires as follows:

- Pre-Performance Testing. §382.301(a) provides that prior to first driving under this Agreement the Independent Contractor driver must be tested and receive negative results, unless (i) the driver received negative results in a testing program during the last 30 days, or (ii) participated in a random testing program for the last 12 months without any violation. Under either exception, the Carrier must contact the testing program to verify participation and results.
- Post-Accident Testing. §382.303 provides that after an accident where there is a loss of life, a citation issued (within 8 hours of the occurrence for alcohol testing and within 32 of the occurrence for controlled substance testing) and the accident involved bodily injury requiring treatment away from the scene, or one of the vehicles has sustained disabling damage requiring the vehicle to be towed, a driver must be tested as follows: (i) An alcohol test must be administered within 2 hours following the accident, and (ii) a controlled substance test must be administered within 32 hours of the accident. Tests by federal, state or local officials are sufficient to meet these requirements.
- Random Testing. §382.305 provides that the Carrier must randomly test 10% of drivers annually for alcohol and 50% of drivers annually for controlled substances.

- Reasonable Suspicion. §382.307 provides that the Carrier must test drivers that it reasonably suspects are under the influence of alcohol or a controlled substance while performing under this Agreement.
- Records. §382.401/405 provides that the Carrier must maintain records of its drug testing program in a secure location with controlled access. The Independent Contractor is entitled to copies of records pertaining to alcohol or controlled substances tests of its drivers.

Independent Contractor agrees that it understands the drug and alcohol policy, as communicated to the Independent Contractor by the Carrier, with respect to any Employee of the Independent Contractor who has been found to be in violation of the Regulations. Violation of the Policy by the Independent Contractor will be a breach/default by the Independent Contractor under the Agreement and the Carrier shall terminate the Agreement. The Independent Contractor's driver found to have tested positive must immediately cease driving per §382.

HOURS OF SERVICE OF DRIVERS

Pursuant to 49 C.F.R. 395.3, the following rules apply to a property-carrying operation:

- **11-Hour Rule:** Drivers may drive for 11 hours and then must stop and take a 10-hour break before driving any more.
- **14-Hour Rule:** Drivers on duty (including a combination of driving, on duty not driving, or in sleeper for less than 8 hours) for 14 hours, must take a 10-hour break before driving any more.
- **60 and 70-Hour Rules:** A driver cannot drive after 60 hours on duty for 7 consecutive days, or 70 hours on duty in 8 consecutive days. An off-duty period of 34 or more consecutive hours may restart this 7 or 8-day consecutive period as long as the driver has not exceeded 60 or 70 hours on duty.
- **8-Hour Break:** Drivers using the sleeper berth provision must take at least 8 consecutive hours in the sleeper, plus 2 consecutive hours either in the sleeper berth, off duty, or any combination of the two.

- On Duty Time: All fuel stops, inspections, drug tests, time spent loading/unloading, breakdowns, and accidents must be logged 'on duty not driving.' Time spent waiting only may be logged off duty or in the sleeper berth.
- Submission of Logs: The DOT requires logs be turned in not more than 13 days from the date of completion.
- Accuracy: Logs must match all timed and dated documents including fuel stops and fuel receipts, roadside inspections, toll tickets and freight bills. Mileage must be no more than 5% different than the miles listed by PC Miler. Point to point miles should match as well as the total miles for the trip.

MOBILE PHONES & TEXTING

The FMCSA published rules that restrict texting and the use of hand-held mobile devices. A copy of these new rules, consisting of four pages, are attached to this Addendum C and incorporated herein.

SAFE DRIVING

Unsafe driving and at-fault accidents may result in injury to others, out-of-service state, or disqualification of a commercial driver. The following are some notes as to safe operation of vehicles:

- All drivers should operate within speed limits for the states that they are operating in.
- All drivers should use the National Safety Council's rule requiring a minimum of 7 seconds of following distance at highway speeds and 6 seconds at speeds under 40 mph. These following distances should be increased if the roads are wet or slick.
- Backing up represents less than 10% of driving, but more than 25% of accidents. Before backing, get out and look. Be sure the area is clear of obstacles. Begin backing up from as close to the dock as soon as you can so that things don't change before you get there. If backing across a highway or busy street, be sure to get someone to stop traffic for you before you begin backing. If the

shipper/receiver won't help you, call the Safety Department for assistance. DO NOT BACK ACROSS A HIGHWAY OR STREET AFTER DARK WITHOUT SOMEONE TO STOP TRAFFIC FOR YOU.

- If you are required to stop on the side of the road for emergency reasons, put out your triangles. Be sure that they are far enough behind your truck to warn oncoming motorists and to meet the requirements in 49 CFR 392.

The Independent Contractor represents and warrants that it has received and reviewed, and understands the policies set forth herein.

AGREED:

King Cole Express Inc. _____

Carrier

Independent Contractor

Eddie Cole Jr _____

Print Name

Print Name

Signature

Signature

Date

Addendum D

ACCIDENT GUIDELINES

Although we strive to operate accident free, we know that an accident can occur at any time. If you are involved in an accident, please follow these guidelines.

1. Secure the scene. This may consist of putting out triangles, activating the ways flashers on all vehicles, setting out flares (if there is no spill are volatile chemicals such as gas or diesel), and using other persons for traffic control. In the case of minor accidents, it may be advisable to move the damaged vehicles from the roadway. However, if doing so, please photograph or otherwise verify the location of both vehicles prior to moving them.
2. Render assistance or comfort to injured parties, if necessary. If you do not feel capable of performing this function, try to find someone who can assist.
3. Notify the police as quickly as possible.
4. Notify the Carrier as quickly as possible.
5. Use your accident kit and obtain all information needed for an accident report.
6. If the other party is willing to accept fault, ask them to fill out a driver exoneration form.
7. Obtain the names, telephone numbers, and addresses of any witnesses. If people refuse to provide such information, record license plate numbers.
8. Make no statements to anyone other than the police. Only respond to the questions asked.
9. If you have a camera, take photographs of the accident scene and any damage. If possible, photograph the parties involved, all skid marks on the road, debris, and all sides of the vehicles, and license plates involved. Also, photograph any signs, obstructions, or other items that may have contributed to the accident.
10. Comply with any drug and alcohol testing requirements.

The Independent Contractor represents and warrants that it has received and reviewed the suggested protocol set forth above.

AGREED:

King Cole Express Inc._____

Carrier

Independent Contractor

Eddie Cole Jr_____

Print Name

Print Name

Signature

Signature

Date

Addendum E

INSURANCE

1. Carrier's Insurance Obligations: It will be the Carrier's responsibility, pursuant to DOT regulations promulgated under 49 U.S.C. §13906 and pursuant to applicable state laws, to provide public liability, property damage, and cargo liability insurance for the Equipment at all times while the Equipment is being operated on behalf of the Carrier.
 - a. Cost of Insurance. The public liability, property damage and cargo liability insurance shall, pursuant to Section 8, 16, and 17 of this Agreement, be subject to chargebacks to the Independent Contractor.
 - b. Limits of Coverage. The limits of coverage and the placement of public liability, property damage, and cargo liability insurance shall be at the discretion of the Carrier in accordance with all applicable federal and state laws, and the Carrier shall be named as the sole insured.
2. Independent Contractor's Insurance Obligations
 - a. Workers' Compensation: NO WORKERS' COMPENSATION INSURANCE WILL BE PROVIDED BY THE CARRIER FOR THE INDEPENDENT CONTRACTOR FOR ANY OF ITS EMPLOYEES. THE INDEPENDENT CONTRACTOR AGREES TO OBTAIN WORKERS' COMPENSATION INSURANCE FOR ALL OF ITS EMPLOYEES AND TO PROVIDE THE CARRIER WITH A CERTIFICATE OF WORKERS' COMPENSATION COVERAGE.
 - b. Non-trucking Liability and Physical Damage Insurance. THE INDEPENDENT CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING AND MAINTAINING NON-TRUCKING AND PHYSICAL DAMAGE INSURANCE (SOMETIMES REFERRED TO AS "BOBTAIL INSURANCE") WITH RESPECT TO PUBLIC LIABILITY AND PROPERTY DAMAGE IN LIMITS OF \$1,000,000 FOR SINGLE LIMIT COVERAGE IN ANY ACCIDENT AND \$3,000,000 AGGREGATE AS CONCERNS ALL EQUIPMENT HERE UNDER WHEN USED OTHER THAN IN THE PERFORMANCE OF A TRIP UNDER THIS AGREEMENT. ALL COSTS OF NON TRUCKING LIABILITY AND PHYSICAL DAMAGE INSURANCE SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. PROOF OF INSURANCE MUST BE PROVIDED TO THE COMPANY UPON EXECUTION OF THIS AGREEMENT,

AND UPDATED AS INSURANCE IS RENEWED. THE CARRIER SHALL BE NAMED AS AN ADDITIONAL INSURED UNDER SUCH POLICY. SUCH COVERAGE SHALL BE PRIMARY TO ANY OTHER INSURANCE THAT MAY BE AVAILABLE THROUGH THE CARRIER. THE INDEPENDENT CONTRACTOR SHALL BE RESPONSIBLE FOR ALL DEDUCTIBLE AMOUNTS AND FOR ANY LOSS OR DAMAGE IN EXCESS OF THE POLICY LIMIT.

- c. Other Insurance. In addition to the insurance coverage required under this Agreement, it is the Independent Contractor's responsibility to procure, carry and maintain any fire, theft, uninsured and/or underinsured motorist, physical damage, or other insurance coverage that the Independent Contractor may need or desire for the Equipment, for the Independent Contractor's health care, or other needs. As provided in this Agreement, the Independent Contractor holds the Carrier harmless with respect to loss of or damage to the Independent Contractor's Equipment, trailer, or other property.
- d. Liability for Failure to Maintain Coverage. In addition to the Independent Contractor's indemnity obligations to the Carrier under the Agreement, it agrees to defend, indemnify, and hold harmless the Carrier from any direct, indirect, or consequential loss, damage, fine, expense, attorneys' fees, actions, claims, and damage that Carrier may incur arising out of or in connection with the Independent Contractor's failure to maintain insurance coverage as required by this Agreement. In addition, the Independent Contractor, on behalf of its insurer, expressly waives all subrogation rights against the Carrier. In the event of a subrogation action brought by the Independent Contractor's insurer, the Independent Contractor agrees to defend, indemnify, and hold the Carrier harmless from such a claim.
- e. The Independent Contractor will have their insurance certificate issuer add King Cole Express Inc. of 6065 Parkway North Dr, Ste 200, Cumming, GA 30040-1617 as the certificate lien holder, and as the additional insured, on to the policy certificate. The insurance issuer will then email the updated certificate to carriers@kcetb.com.
- f. Availability of Insurance Facilitated by Carrier. Independent Contractor may, at its own option, authorize the Carrier to facilitate on its behalf the insurance coverage that is required or optional under this Agreement. In such a case, the Carrier shall deduct from the Independent Contractor's

settlement compensation, amounts reflecting all the expense and cost of obtaining and administering such coverage on behalf of the Independent Contractor.

The Independent Contractor recognizes that the Carrier is not in the business of selling insurance, and any insurance coverage requested by the Independent Contractor from the Carrier is subject to all of the terms, conditions, and exclusions of the actual policy issued by the insurance underwriter.

The Carrier shall ensure that the Independent Contractor is provided with a certificate of insurance as required by 49 C.F.R. §1057.12(j) for each insurance policy under which the Independent Contractor has authorized the Carrier to facilitate. The Carrier shall also provide the Independent Contractor with a copy of each insurance policy upon request.

If the details in insurance coverage facilitated on behalf of the Independent Contractor change, the Independent Contractor will be notified by personal delivery, fax, or other written notice. In the event the Independent Contractor has an objection to a change in coverage, it must notify the Carrier within 10 calendar days after notice is provided, otherwise any objection is waived.

AGREED:

King Cole Express Inc.

Carrier

Independent Contractor

Eddie Cole Jr

Print Name

Print Name

Signature

Signature

Date