OWNER-OPERATOR LEASE & DISPATCH AGREEMENT

BROTHERS FREIGHT TRANSPORT LLC · MC 1498869 · USDOT 3993585

DRAFT prepared 2026-08-20 for attorney review — complies in structure with the federal Truth-in-Leasing rules, 49 CFR Part 376 (section references in brackets). Not legal advice. Do not sign until reviewed.

This Agreement is made between **BROTHERS FREIGHT TRANSPORT LLC**, MC 1498869 / USDOT 3993585, with its principal place of business at 110 S Iowa St, Apt 2, Shamrock, Texas 79079 ("**Carrier**"), and the party identified in **Exhibit A** ("**Contractor**"). Contractor owns the tractor described in Exhibit A and wishes to operate it under Carrier's federal operating authority; Carrier wishes to lease that equipment with driver services. The parties agree:

1. Equipment and Lease [376.11, 376.12(a)–(b)]

Contractor leases to Carrier the tractor described in **Exhibit A** (the "Equipment"), with driver services, for use in Carrier's operations. This Agreement takes effect when both parties sign and continues until terminated under Section 3. Carrier will give Contractor a signed receipt when it takes possession of the Equipment and again when possession is returned (**Exhibit D**), and a copy of this Agreement (or a statement of lease) shall be carried in the Equipment while operated for Carrier [376.11(b)–(c)]. **Contractor is not purchasing, financing, or making any payment toward any truck under this Agreement** — the tractor is Contractor's own property throughout.

2. Independent Contractor Status

Contractor is an independent contractor, not an employee. Contractor selects routes subject to load requirements, may accept or decline any load offered, may hire qualified drivers at its own expense (each subject to Carrier's DOT qualification-file requirements), and is responsible for its own income and self-employment taxes. Nothing here creates a partnership, joint venture, or employment relationship. Section 4's "exclusive possession" language is a federal leasing requirement [376.12(c)(4)] and does not create an employment relationship.

3. Term and Termination [376.12(b)]

Either party may terminate with **fifteen (15) days' written notice**, or immediately by mutual agreement. Carrier may terminate immediately for: loss or suspension of Contractor's CDL or DOT medical certificate; a positive or refused drug/alcohol test; lapse of insurance Contractor is required to carry; abandonment of a load; or material breach. On termination Contractor removes all Carrier identification and returns all Carrier property (placards, ELD, fuel card, trailer if rented); Carrier may deduct up to **$250 per item of unreturned identification or property** from final settlement or escrow [376.12(h)]. Termination does not cut off settlements already earned.

4. Exclusive Possession and Responsibility [376.12(c)]

During the lease, the Equipment is in Carrier's exclusive possession, control, and use, and Carrier assumes complete responsibility for its operation, as 376.12(c)(1) requires. Trip-leasing to another carrier requires Carrier's prior written consent.

5. Compensation [376.12(d), (g)]

Contractor is paid **ninety percent (90%) of the gross line-haul revenue and one hundred percent (100%) of any fuel surcharge** on each load hauled under this Agreement — that is, gross revenue less only the **10% dispatch fee** and the other itemized chargebacks listed in **Exhibit B**. Carrier discloses the rate for each load before Contractor accepts dispatch, and Contractor may decline any load. At or before each settlement Carrier provides a copy of the rated freight bill (or equivalent computer-generated document) for every load so Contractor can verify the percentage calculation [376.12(g)].

> **Everything not listed in Exhibit B stays with Contractor.** No hidden administrative, technology, onboarding, or paperwork fees may be deducted.

6. Settlements and Payment [376.12(f)]

Settlements are run **weekly**. Payment for a load is due no later than **fifteen (15) days** after Contractor submits the signed proof of delivery and any paperwork the broker or shipper requires for that load; DOT-required logs may be required for compliance but do not delay payment beyond those documents [376.12(f)]. Each settlement statement itemizes every load, every deduction, and the escrow balance. Payment is made by **Zelle or bank transfer (ACH)** to the account Contractor designates in **Exhibit C**; Contractor shall keep Exhibit C current in writing.

7. Chargebacks [376.12(h)]

Only the items listed in **Exhibit B** may be deducted from settlement. Carrier provides documents supporting each computed charge on request. Broker or shipper fines (late fees, missed-appointment fees, POD-delay fees) are passed through **at cost, with the broker's**

documentation, and only when caused by Contractor's performance; Carrier adds no markup and absorbs fines caused by Carrier's own dispatch error.

8. Items Contractor Is Not Required to Buy [376.12(i)]

Contractor is **not required** to purchase or rent any product, equipment, or service from Carrier as a condition of this Agreement. Trailer rental, the insurance program, fuel card, and shop services are offered at Contractor's election at the prices in Exhibit B or the referenced separate agreements.

9. Escrow Fund [376.12(k)]

- **Amount:** $1,500, funded by **$50 per week** deductions until reached.
- **Purpose:** performance obligations, cargo-claim deductibles, unreturned property, final chargebacks.
- **Accounting:** Contractor may demand an accounting of escrow transactions at any time; every settlement shows the balance. Interest accrues at no less than the average 91-day U.S. Treasury bill rate, credited at least quarterly.
- **Return:** within **forty-five (45) days** of termination, with a final accounting, less only properly itemized deductions.

10. Insurance [376.12(j)]

Carrier provides public (auto) liability and cargo insurance as FMCSA requires while the Equipment operates under Carrier's authority, and will provide a certificate on request. If any Carrier policy cost is charged back, the deductible amount and coverage are disclosed in Exhibit B. **Contractor provides at its expense:** physical damage on its own tractor; non-trucking/bobtail liability; and occupational-accident coverage (or workers' compensation where required) for itself and its drivers. Contractor may elect to run these through Carrier's insurance program at Carrier's actual premium cost, quoted in writing before enrollment. Contractor is liable for the deductible portion of claims arising from its operation, capped per Exhibit B.

11. Trailer Rental (Optional)

If Contractor rents a Carrier reefer trailer, the rental is governed by the separate **Reefer Trailer Rental Agreement** signed by the parties; the monthly rental and reefer-hour charges from that agreement are deducted from settlements as authorized in **Exhibit B**. Returning the trailer in the condition required by that agreement is a condition of escrow return.

12. Operating Standards, Cargo and Claims

Contractor's drivers: verify piece count and condition at the shipper; secure the load (minimum two load locks on reefer freight); run reefer temperature exactly as the rate confirmation states (continuous cycle unless documents say otherwise); report any overage, shortage, or damage before leaving the facility; send the signed POD to dispatch **within 24 hours of delivery**; and keep dispatch informed of delays. Contractor is responsible for cargo loss or damage caused by failure to follow these steps, up to the deductible cap in Exhibit B, subject to the documentation rules of Section 7.

13. Maintenance, Fuel and Compliance

Contractor maintains the Equipment in DOT-safe condition at its expense (inspections, repairs, tires) and keeps DVIRs. Carrier's shop, when available, offers service at posted rates — **trucks operating in Carrier's fleet receive priority scheduling**. Contractor complies with hours-of-service and ELD rules using the Carrier-provided Samsara ELD (Exhibit B) and participates in Carrier's DOT drug and alcohol program. Carrier files IFTA with Contractor's fuel purchases credited; base plate, HUT and permit filings are handled per Exhibit B at cost. Fuel and tolls are Contractor's expense.

14. Customer Relationships (Non-Solicitation)

During this Agreement and for **twelve (12) months** after it ends, Contractor will not solicit or haul freight directly for a shipper, broker, or customer first serviced through Carrier under this Agreement, without Carrier's written consent. If Contractor does, Contractor shall pay Carrier **10% of the gross revenue invoiced** to that customer during that period — the same fee the freight would have carried here. General load-board freight available to the public is not restricted.

15. Indemnification

Each party indemnifies the other against losses caused by its own negligence or willful misconduct. This clause does not shift the insurance obligations of Section 10, and neither party is indemnified for its own gross negligence.

16. General

Governing law: **[State — attorney to confirm with Carrier's state of organization]**; venue in the county of Carrier's principal operations. Disputes go first to good-faith negotiation between the parties. If any clause conflicts with 49 CFR Part 376, the regulation controls and the remainder stands. This Agreement with its Exhibits and the Reefer Trailer Rental Agreement (if signed) is the entire agreement; changes must be written and signed by both parties.

CARRIER — BROTHERS FREIGHT TRANSPORT LLC · Signature / Title / Date

CONTRACTOR · Signature / Printed Name / Date

EXHIBIT A — CONTRACTOR & EQUIPMENT

Contractor name / entity	
Address	
Phone / Email	
EIN or SSN (for 1099)	
Tractor — Year / Make / VIN	
Driver(s) (each must qualify under Carrier's DOT file)	
CDL # / State / Expiration	

EXHIBIT B — FEE & CHARGEBACK SCHEDULE

Only the items on this schedule may be deducted from settlement [376.12(h)].

Item	Amount
Dispatch fee	**10%** of gross line-haul revenue per load
Factoring / quick pay (only if Contractor elects)	**1.5%** of gross
Samsara ELD service	**$78.91** / month
Trailer rental (only if rented — per Reefer Trailer Rental Agreement)	$_________ / month + $______ / reefer operating hour
Insurance premiums Contractor elects through Carrier's program	Carrier's actual premium cost — written quote before enrollment; no markup
IFTA / base plate / HUT / permit filings	Actual cost, no markup
Fuel card charges & cash advances	Actuals taken
Broker / shipper fines caused by Contractor (Sec. 7)	At cost with broker documentation
Cargo claim deductible cap (Sec. 12)	$_________ per occurrence
Escrow (Sec. 9)	$50 / week until $1,500
Unreturned Carrier property (Sec. 3)	Up to $250 per item

Initial each page of this schedule. Any charge not on this schedule is void.

EXHIBIT C — CONTRACTOR PAYMENT INFORMATION

Settlements are paid to the method checked below. Contractor certifies this information is accurate and belongs to Contractor, and will notify Carrier in writing within five (5) days of any change. **Check ONE and complete that section.**

☐ **OPTION 1 — ZELLE**

Name exactly as registered with Zelle: ______________________________

Zelle email address: ______________________________

Zelle phone number: ______________________________

Bank holding the Zelle account: ______________________________

☐ **OPTION 2 — BANK TRANSFER (ACH)**

Account holder name: ______________________________

Bank name: ______________________________

Routing number: ______________________________

Account number: ______________________________

Account type: ☐ Checking ☐ Savings

______________________________ ______________________________

Contractor Signature / Date — Printed Name / Entity

EXHIBIT D — RECEIPT FOR EQUIPMENT [376.11(b)]

Carrier took possession of the Equipment on	Date: _________ Signature: ____________________
Possession returned to Contractor on	Date: _________ Signature: ____________________