

**EQUIPMENT LEASE AGREEMENT AND INDEPENDENT CONTRACTOR
OPERATING AGREEMENT**

This agreement is made and entered into as of (date) _____
between AARMAC Transport, Inc., hereinafter referred to as AARMAC, a North Dakota corporation with
business address at 1500 2nd Avenue NW, Minot, North Dakota 58701-3631 (“Carrier”), and
_____, an individual or corporation with business address at

and Federal Tax Identification Number or Social Security Number _____ (“Owner”).

RECITALS:

Carrier is a motor Carrier engaged in the transportation of commodities in interstate and intrastate commerce and desires to lease motor vehicle equipment from Owner.

Owner is the Owner of the motor vehicle equipment (“Equipment”) listed in Exhibit B, Receipt for Leased Equipment, which it desires to lease to Carrier.

Carrier and Owner desire to establish the terms and conditions for leasing the Equipment

THEREFORE, Owner and Carrier agree as follows:

ARTICLE 1 -- USE OF EQUIPMENT

1.01 Owner agrees to lease the Equipment, with driver, to Carrier for the transportation of freight in Carrier’s operations.

1.02 Exclusive possession and use of the Equipment and complete responsibility for its control is vested in Carrier for the duration of this Lease. When Carrier takes possession of the Equipment, it shall give Owner a receipt specifically identifying the Equipment and stating the date and time of day possession is transferred. The receipt may be transmitted by mail, facsimile or other electronic transmission. Authorized representatives of Carrier and Owner may give and receive receipts for the Equipment.

1.03 Owner represents and warrants that he holds full legal title or has the legal right to lease the equipment to Carrier and that the Equipment is suitable for Carrier’s service and shall at all times during this Lease comply with Legal Requirements. As used in this Lease, “Legal Requirements” means any and all statutes, rulings, rules, regulations, permits, certificates or ordinances of any local, state or federal governmental authority in any way applicable to Owner, Carrier or the Equipment, respectively.

1.04 At the option of Owner, Owner may personally drive the Equipment or may employ drivers, driver-helpers, and laborers (“Owner Employees”) to operate the Equipment under this Lease. Owner warrants that Owner and each Owner Employee shall at all times be experienced, competent, and qualified under Legal Requirements to operate the Equipment, which operation shall be in compliance with Legal Requirements. Owner shall be solely responsible for the employment, direction and control of each Owner Employee, including selection, hiring, discharge, supervision, direction, training, wages, hours, and working conditions, adjustment of grievances and withholding and payment of assessments

for taxes, Social Security, unemployment compensation, and worker's compensation premiums. Owner shall be the "employer" of himself and any Owner Employee within the meaning of 3401(d) of the Internal Revenue Code. Payments made by Carrier to Owner under this Lease shall not be deemed or considered "wages" within the meaning of 3401(a) of the Internal Revenue Code.

1.05 This Lease is intended by the parties to create a principal-independent contractor relationship between Carrier and Owner, and not an employer-employee relationship. Neither Owner nor Owner Employees or Owner's contractors are to be employees of Carrier at any time or for any purpose.

1.06 Carrier and Owner agree that, for the duration of this Lease, the Equipment shall not be subject to any other lease, unless such other lease is authorized by Legal Requirements.

1.07 When Carrier supplies a trailer and associated accessorial equipment ("Carrier Trailer") for use by Owner, Carrier will maintain the Carrier Trailer in conformity with Legal Requirements.

ARTICLE 2 -- COMPENSATION

2.01 Carrier shall compensate Owner for the lease of the Equipment as set forth in the attached Exhibit A.

2.02 Settlement for revenues earned by Owner and charges due to Carrier under this Lease shall be calculated by Carrier and payment shall be made to Owner weekly on all invoices for which Carrier has received payment from shipper for services rendered. Owner must, in a timely manner, turn in all driver logs and shipping documentation required for Carrier to secure payment from shipper.

2.03 Carrier shall document each settlement paid by furnishing Owner either: a) a copy of all freight bills and shipping papers and other documentation upon which its settlement is based, or b) a computer-generated summary of the freight bills and shipping papers and other documentation upon which the settlement is based. If a computer-generated summary is furnished, Owner shall have the right to review the supporting documentation upon request.

2.04 Owner shall have the right to examine, during normal business hours, Carrier's tariffs or the relevant portions of Carrier's shipping contracts or other documents from which the rates and charges are computed.

2.05 Owner shall submit to Carrier documentation of all revenues earned by Owner for each shipment made with the Equipment and each item of expense that is reimbursable to Owner as required by shipper immediately upon completing such shipment or incurring such expense. Carrier shall have no obligation to pay owner for any revenue or expense for which Carrier does not receive payment from shipper due to neglect of Owner to submit in a timely and proper manner all shipping documentation required for Carrier to secure payment from shipper.

ARTICLE 3 -- DEDUCTIONS

3.01 Any Lease-On Costs, as defined below, will be reimbursed by Owner to Carrier by deductions from Owner's settlements. Owner authorizes Carrier to deduct Owner's Lease-On Costs from Owner's settlements; such deductions shall continue until all Lease-On Costs have been reimbursed to Carrier. As used in this lease, "Lease-On Costs" shall mean any and all costs to Carrier associated with initially documenting, licensing, equipping or identifying Owner, Owner Employees, or the Equipment under this lease, including but not limited to costs for physical examinations of Owner or Owner Employees, unloading devices, accessories, modifications, decals and permits.

3.02 Owner shall be liable to and hold Carrier harmless from any and all shortage or loss of or damage to cargo transported by Owner caused directly or indirectly by Owner, Owner Employees, or

Owner's agents and determined to have been "preventable" under the standards of Carrier's safety program. All "preventable" determinations under this lease shall be made by Carrier's Safety Committee.

3.03 Owner shall be liable for and hold Carrier harmless from and against any loss of or damage to property or injury to or death of persons or expenses relating thereto incurred or caused directly or indirectly by Owner, Owner Employees, or Owner's agents in connection with this Lease or the operation of the Equipment and determined to have been "preventable" under the standards of Carrier's safety program.

3.04 If Owner terminates this Lease when the Equipment is pulling a Carrier Trailer and the Carrier Trailer is left at a location other than the terminal at which this Lease was executed or from which the trailer was dispatched, Owner shall be charged one hundred twenty dollars (\$120.00) per hour round trip, plus the current fuel surcharge, from the location of the Carrier Trailer to the nearest Carrier terminal for recovering the Carrier Trailer.

3.05 If Carrier is called upon to pay and elects to pay any of Owner's obligations under this Lease, such payment shall be considered an advance to Owner; and Carrier is hereby authorized to reimburse itself for such advances by deductions from settlements due or becoming due to Owner.

ARTICLE 4 -- TERM

4.01 This lease shall begin on the date first written above and shall continue for a term of twelve (12) months or until terminated as provided in this Article 4.

4.02 Carrier may terminate this Lease immediately for failure of performance or breach by Owner of any term or condition of this Lease.

4.03 a) Either party may terminate this Lease upon ten (10) days written notice given to the other party. Upon giving or receiving a notice of termination, Owner shall deliver to Carrier any and all shipping documents, forms, advertising material, and literature obtained by Owner through or furnished by Carrier and all equipment and accessories, licenses, registration plates, identifying insignia, cards, or papers obtained by or on behalf of Carrier for the operation of the Equipment. Carrier shall have the right to defer final payment of compensation due to Owner until Owner shall have complied fully with this Lease. If Owner fails or refuses to comply with any of its obligations under this Lease, Owner shall be liable to Carrier for all expenses to Carrier arising out of any such failure or refusal.

b) Provided that proper termination notice has been given, all of Owner's obligations under this Lease are fully performed and Carrier's property is returned to Carrier, Owner's final settlement will be remitted to Owner within forty-five (45) days of the termination date.

ARTICLE 5 -- CONDITIONS OF OPERATION

5.01 Owner shall at its sole cost and expense operate, repair, and maintain the Equipment in compliance with Legal Requirements for the duration of this Lease. At the time maintenance or repair work is accomplished, Owner shall provide Carrier with copies of records of all repairs and maintenance performed on the Equipment as necessary for Carrier's compliance with Legal Requirements.

5.02 Owner shall furnish, provide, and pay all costs of owning, operating, maintaining, and repairing the Equipment, including but not limited to the following:

- a) All motor fuel, lubricants, tires, equipment, and accessories;
- b) All maintenance and repairs;
- c) All taxes and assessments, premiums, and other payments due by reason of the payment by Owner of wages or other earnings to Owner Employees or contractors and make such

- deductions and/or tax withholding from such wages and all reports with respect thereto as may be established by Legal Requirements;
- d) Tolls, licenses, base plates, prorates, fuel tax bonds, permits, and any other tax payments required of or on the Equipment (including all reports related thereto); provided, however, that such licenses, prorates, or permits may be issued in the name of Carrier to comply with Legal Requirements;
 - e) All other expenses necessary for the operation of the Equipment;
 - f) Costs of physical examination and all other expenses incurred in the processing of an Owner Employee to become a driver for the Equipment when such items are paid by or charged to the account of Carrier.

5.03 Owner shall have applied to the Equipment, without expense to Carrier, such identification as may be called for by Legal Requirements. Any such identification shall be removed from the Equipment by Owner and returned to Carrier upon termination of this Lease. Carrier shall not be obligated to pay any accrued settlement until all of Carrier's identification has been removed from the Equipment and returned to Carrier. Owner shall be responsible to Carrier for any loss or expense of any kind to Carrier caused by Owner's failure to return identification.

5.04 Owner shall submit the Equipment for Carrier's inspection at the time Carrier takes possession under this Lease and periodically thereafter as necessary to determine compliance with Legal requirements. If any inspection reveals that the Equipment does not comply with any aspect of Legal Requirements, Owner shall promptly place the Equipment into compliance before undertaking any performance of this Lease.

5.05 Owner will collect and promptly remit to Carrier all amounts paid to Owner or Owner Employees by Carrier's consignors or consignees for charges under Carrier's shipping or billing documents. Owner will be liable to Carrier for any amount which it fails to collect when so specified on the shipping or billing documents.

5.06 Owner is not required to purchase or rent any products, services or equipment from Carrier as a condition of entering into or continuing this Lease.

5.07 Owner, including Owner's Employees, shall not transport any unauthorized passengers in the equipment. An unauthorized passenger is defined as anyone who has not met the provisions set forth in section 1.04 of the Contract.

5.08 Owner shall transport no pets or other animals in the Equipment.

5.09 Carrier shall be responsible for overweight fines on pre-loaded shipments, except when the violation is due to the Equipment's inability to transport trailers loaded to the shipper's customary standards.

5.10 Owner shall, at no cost to Carrier, provide accessorial equipment necessary to perform the product transportation functions contemplated by this lease. Such equipment shall include, without limitation, product-transfer equipment (pump, compressor, etc.). Such equipment shall be maintained in proper working order by Owner at Owner's sole cost and expense at all times during the term of this lease and shall be subject to inspection and approval by Carrier. Owner shall be compensated for the use of such equipment as specified in Exhibit A.

5.11 Owner shall be responsible for obtaining and wearing any safety equipment needed to be in compliance with Carrier policy, plant rules, and applicable government regulations, including, but not limited to the following: safety glasses, hard hat, visor mount and visor, PVC gloves, safety toe boots, fire retardant clothing, and H2S safety equipment.

5.12 Owner and Owner Employees shall abide by all policies and procedures set forth in the "AARMAC Transport Safety Handbook" and all other AARMAC Transport policies and procedures.

ARTICLE 6 -- INSURANCE

6.01 Carrier shall provide public-liability and cargo insurance with limits not less than the minimum levels of financial responsibility set by Legal Requirements for the Equipment while operating under the exclusive direction and control of Carrier and shall provide Owner with evidence of financial responsibility to be carried in the Equipment.

6.02 Carrier shall have no liability for loss of or damage to property or injury to or death of persons occurring while the Equipment is bobtailing not under written dispatch of Carrier or operating otherwise not under the exclusive direction and control of Carrier.

6.03 Owner shall at its sole cost and expense procure and maintain continuously in effect throughout this lease:

- a) Either
- 1) WORKER'S COMPENSATION (Including Occupational Disease) and EMPLOYER'S LIABILITY INSURANCE. Owner's Worker's Compensation and Employer's Liability coverages shall apply to all Owner Employees, including borrowed servants, in accordance with the benefits afforded by the statutory Worker's Compensation Acts, USL & H and Maritime Acts applicable to the State, Territory or District of hire, supervision or place of accident. A waiver of subrogation to Carrier is required. Policy limits shall not be less than:

Worker's Compensation:	Statutory Limits
Employer's Liability:	\$500,000 Disease, each employee

OR, as a substitute for Worker's Compensation insurance, where permitted by Legal Requirements and as approved by Carrier:

- 2) TRUCKER'S OCCUPATIONAL ACCIDENT INSURANCE. A waiver of subrogation to Carrier is required. Policy limits shall be not less than:

Accidental Death and Dismemberment	\$500,000
Accidental Medical Expense	\$2 million
Total Disability up to 66-2/3% of average weekly wage	\$500/week
Combined Single Limit	\$2 million aggregate

- b) COMPREHENSIVE/COMMERCIAL-AUTOMOBILE "BOBTAIL" NON-TRUCKING AND UNLADEN LIABILITY INSURANCE, as primary policy over all others, covering all owned, hired and non-owned automotive equipment. An "additional insured" endorsement naming Carrier is required. Policy limits shall not be less than:

Combined Single Limit of \$1 million per occurrence.

6.04 Owner assumes full responsibility at all times for property damage to the equipment and releases Carrier and its officers, agents, and employees from all responsibility and liability for loss of or damage to the Equipment from all causes whatsoever, except to the extent such damage is caused by the intentional or negligent act of Carrier's employees or agents while acting within the scope of their employment. Owner shall procure and maintain property damage insurance for the Equipment as it deems appropriate and shall cause all such policies of insurance evidencing such coverage and waivers of subrogation.

6.05 Owner represents and warrants that at all times during the duration of this Lease it shall have furnished or caused to be furnished to Carrier an original, current certificate of insurance on forms acceptable to Carrier (most recent ACORD form) reflecting, for each policy provided for in this Lease:

- a) The kinds and amounts of insurance required above.
- b) The insurance company or companies carrying the required coverages.
- c) The policy number and the effective and expiration dates of each policy.
- d) That Carrier will be given thirty (30) day prior written notice of any material change in or termination of any policy.
- e) That a waiver of subrogation under Owner's Worker's Compensation or Trucker's Occupational Accident policy has been issued to Carrier.
- f) That Carrier has been named as an "Additional Insured" on Owner's Bobtail Unladen Auto Liability policy.
- g) The territorial limits of all policies.
- h) That the indemnification and hold-harmless provisions of this Lease are insured.
- i) That the "aggregate" as reported in the policy limits in the Certificate of Insurance, has not been exposed or consumed by prior or pending claims.
- j) A Certificate Holder notation reading as follows:

AARMAC Transport, Inc.
1509 2nd Ave SW
Minot, ND 58701

6.06 It is understood and agreed by Carrier and Owner that the coverages granted to the Certificate Holder "additional insured" in Owner's policies of insurance as required in this Lease are to apply on a primary basis over all other valid and collectible insurance owned by and or available to the "additional insured". It is further understood and agreed by Carrier and Owner that such coverages provided by Owner to the "additional insured" are applicable to liability associated with the operations, products, completed operations, premises, equipment and or vehicles contemplated by this Lease. Owner shall be solely responsible for any deductible or self-insured retention associated with the coverages granted to the "additional insured".

6.07 Owner shall give Carrier immediate notice upon the occurrence of any accident, product spill, product contamination or other incident involving the Equipment or a Carrier Trailer, and provide all available information relating to time, place, and circumstances of the incident and the names and addresses of any parties or witnesses. In addition, Owner agrees to report promptly to Carrier any claims, losses, or damages of any kind whatsoever which involve the Equipment or a Carrier Trailer and to furnish Carrier with such written reports, affidavits, or other assistance as may be necessary to investigate, settle, or litigate any actual or potential claims against Carrier.

ARTICLE 7 -- INDEMNITY

7.01 SUBJECT TO THE LIMITATIONS EXPRESSLY PROVIDED IN THIS AGREEMENT, OWNER SHALL INDEMNIFY AND HOLD HARMLESS CARRIER, ITS OFFICERS, AGENTS AND EMPLOYEES, AND ITS SUBSIDIARY, PARENT AND AFFILIATED COMPANIES, AND THEIR HEIRS, SUCCESSORS AND ASSIGNS, ("INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND AND CHARACTER (INCLUDING, BUT NOT LIMITED TO, ALL COSTS OF DEFENSE, SETTLEMENT AND REASONABLE ATTORNEY'S FEES) ("CLAIMS") WHICH MAY BE ASSERTED BY ANY THIRD PARTY, GOVERNMENTAL AGENCY OR ENTITY OR BY OWNER OR OWNER'S EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS OR THEIR EMPLOYEES OR AGENTS ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATED TO OWNER'S PERFORMANCE UNDER THIS AGREEMENT. THIS DUTY OF INDEMNIFICATION INCLUDES, BUT IS NOT LIMITED TO, CLAIMS RELATING TO OR

ARISING OUT OF BREACH OF CONTRACT, DEATH, PERSONAL INJURY, PROPERTY DAMAGE OR LOSS (INCLUDING, WITHOUT LIMITATION, POLLUTION OR ENVIRONMENTAL DAMAGE). ANY THEORY OF STRICT LIABILITY OR PRODUCTS LIABILITY, AND ANY CIVIL OR CRIMINAL FINES OR PENALTIES RELATING TO OR ARISING UNDER ANY CLAIM, WHERE THE LOSS, INJURY OR DEATH IS CAUSED BY THE JOINT OR CONCURRING NEGLIGENCE OF OWNER AND AN INDEMNIFIED PARTY, OWNER'S DUTY OF INDEMNIFICATION SHALL BE IN PROPORTION TO ITS ALLOCABLE SHARE OF SUCH JOINT OR CONCURRENT NEGLIGENCE. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO ANY CLAIM WHERE THE LOSS, INJURY, DEATH OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF CARRIER UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY. IF ANY PORTION OF THIS INDEMNITY SHALL BE HELD BY A COURT OF COMPETENT JURISDICTION TO BE INVALID OR UNENFORCEABLE, THE REMAINDER SHALL BE AND REMAIN IN FULL FORCE AND EFFECT. THE PROVISIONS OF THIS SECTION 7.01 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE 8 -- CONFIDENTIALITY, NON-DISCLOSURE AND NON-INTERFERENCE

8.01 Owner recognizes and acknowledges that the business relationships of Carrier are its proprietary business information and are confidential information of Carrier. As an inducement for Carrier to enter into this Lease, Owner agrees that for the duration of and for six (6) months after the expiration or termination of this Lease, Owner will not directly or indirectly:

- a) Disclose to any other person the identity of or do anything which would tend to divert from Carrier any traffic or business with any shipper, consignor or consignee or any other party whose identity or potential to be a customer of Carrier was learned by or known to Owner during the six (6) months immediately preceding termination or expiration of this Lease.
- b) Induce or attempt to induce any person who is employed by or who is engaged as an owner-operator under contract with Carrier to leave the employment of Carrier or terminate its owner-operator contract with Carrier.

Owner agrees that these covenants are reasonable with respect to their terms, duration and scope.

ARTICLE 9 -- OTHER

9.01 This Lease does not and shall not be construed to create or constitute a partnership, association or joint venture of any kind. The obligations of the parties hereto shall be several, and not joint or collective, each party to be responsible only for the obligations assumed herein by it. Nothing contained herein shall be deemed to impose upon any other party any responsibility for the obligations assumed by the other party.

9.02 All notices, demands, requests, consents or other communications provided for or permitted to be given pursuant to this Lease shall be in writing and may be personally served or sent by first class U.S. mail to the address of the party first written above, postage prepaid. A party may, by proper written notice to the other party, change the address to which notices shall thereafter be sent to it.

9.03 Owner may not assign its rights hereunder, in whole or in part, without the prior written consent of Carrier.

9.04 This Lease shall be governed by and construed in accordance with the law of the State of North Dakota, without regard for its principles of conflicts of laws. Any legal action arising under this Lease shall be brought in the courts of the State of North Dakota, to which venue and non-exclusive jurisdiction each party expressly consents for itself and in respect of its property for all purposes.

9.05 In this Lease, unless a clear, contrary intention appears: the singular number includes the plural number and vice versa; reference to any gender includes each other gender; the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other Subdivision; and the word "including" means including without limiting the generality of any description preceding such term.

9.06 The headings used herein are for the convenience of the parties only and shall not be taken into account in construing or interpreting this Lease.

9.07 The provisions of this Lease are the entire agreement of the parties with respect to the subject matter hereof and may not be amended, changed, modified, or altered except by written instrument signed by duly authorized representatives of the parties.

9.08 If any section or sections or part or parts of sections of this Lease shall be held invalid for any reason whatsoever, the provisions of this Lease shall be void only as to such section, sections, party, or parts of sections, and this Lease shall remain otherwise binding between the parties hereto.

Executed by the parties as of the date first written above.

AARMAC Transport, Inc.

Carrier

Signature

Printed Name

Title

Owner

Signature

Printed Name

Title

VOID