

**TRAILER LEASE AGREEMENT**

**THIS EQUIPMENT LEASE AGREEMENT (this “Lease”)**, is made and entered into as of this\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_ (the “Commencement Date”), by and between **SD Truck World, Inc.** (“LESSOR”) with principal address of **4670 Sawtelle Ave, Yuba City, CA 95991** and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“LESSEE”) with principal address of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

In consideration of their mutual promises and other valuable consideration, and intending to be legally bound, LESSEE and LESSOR agree as follows:

1. **Lease of Equipment.** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR the equipment described in attached Schedule 1 (the “Equipment”).
2. **Lease Payment.** LESSEE agrees to pay LESSOR six-hundred and fifty dollars ($650) each month during the term of this Lease (“Payment”).
3. **Payment Due Date.** Payment shall be due and payable on the first day of the rental period each month, as determined by the Commencement Date of this Lease.
4. **Lease Period.** The Period of this Lease shall begin on the Commencement Date and continue until Cancellation or Termination occurs.
5. **Delinquent Payment.** If LESSEE does not make a Payment in full on the first day of the rental period each month, LESSOR reserves the right to deduct any unpaid balance on the Payment from LESSEE’s sub-hauler settlement check. If Payment is not made in full prior to the first day of the next rental period, LESSOR reserves the right to Terminate this agreement prior to the commencement of the next rental period. Such Termination will not remove Payment obligation from the LESSEE.
6. **Standard of Operation.** Any physical operation of the Equipment by the LESSEE shall be done to the satisfaction of any party with whom the LESSOR has contracted for such operation.
7. **Compliance with applicable laws.** Throughout the Lease Period, LESSEE agrees to use the Equipment in a careful and proper manner in accordance with all applicable federal, state, and local statutes, laws, ordinances, rules, and regulations relating to the use and maintenance of the Equipment. LESSEE shall bear the responsibility and cost of the following:
   1. Any safety violations and fines.
   2. Any traffic violations the LESSEE may receive in operation of the Equipment.
   3. Any overload tickets the LESSEE may receive in operation of the Equipment.
8. **Maintenance.** Images of the Equipment shall be taken prior to the LESSEE taking control of the same. Such pictures shall be attached to this Lease as **Attachment A** and acknowledged by LESSOR and LESSEE as adequately demonstrating the state of the Equipment at the time of LESSEE’s first possession under this Lease. Additionally, LESSEE shall be responsible for the following:
   1. Keeping the equipment lubricated and maintained in excellent working condition, as determined by LESSOR.
   2. Keeping brakes adjusted and tires properly inflated.
   3. Any and all costs and repairs associated with damage resulting from improper maintenance and untimely reporting of wear and/or damage (e.g. running brake lining too far, causing drum scoring or structural cracks on mechanical parts including tires and wheels). LESSOR reserves the right to deduct such costs from LESSEE’s sub-hauler settlement check.
9. **Inspection.** LESSOR shall have the right to inspect the Equipment at least once every sixty (60) days and at additional times by request. Inspections shall occur at LESSOR’s Home Yard, or another location specified by LESSOR. If upon inspection at any time LESSOR finds the Equipment in a condition that LESSOR, in its sole discretion, reasonably believes to be in breach of this Agreement, such shall be grounds for Termination.
10. **Notification**. LESSEE shall be responsible to notify LESSOR’s dispatcher in the event that the Equipment becomes inoperable. Should LESSEE be the cause of the Equipment’s inoperability, LESSOR shall be entitled to one-hundred dollars ($100) per day during the period of days required to restore Equipment to operable status.
11. **Risk of Loss.** LESSEE hereby assumes and shall bear the entire risk of loss, theft, destruction, and damage to the Equipment while in LESSEE’s actual or constructive possession, from any cause whatsoever. Occurrence of any such loss or damage shall not relieve LESSEE of any obligation imposed under this Lease.
12. **Indemnification**. LESSEE agrees to indemnify, defend, and hold LESSOR harmless from and against any and all claims, demands, actions, damages, loss, liability, or expenses, including, but not limited to, all court fees, filing fees, and reasonable attorneys’ costs arising from or relating to this Lease.
13. **Title.** LESSOR shall at all times retain full legal title to the Equipment. LESSEE shall acquire no right, title, or interest to the Equipment, except as expressly set forth in this Lease.
14. **Insurance Requirements.** LESSEE agrees to carry, at LESSEE’s sole cost and expense, the following liability coverage:
    1. Public liability coverage (both bodily injury and death), property damage coverage, and physical damage coverage on the Equipment in this Lease.
    2. Public liability coverage (both bodily injury and death), property damage coverage, and physical damage coverage on LESSEE’s own equipment.
    3. Public liability and property damage insurance shall have a combined single limit of no less than one million dollars ($1,000,000).
    4. Physical damage shall be for the value of each item of Equipment (as listed in Schedule 1), but in no event less than forty-five thousand dollars ($45,000) unidentified trailer coverage per trailer leased.
    5. LESSEE shall supply LESSOR with a certificate of insurance verifying adequate coverage and listing LESSOR as an Additional Insured, and the radius of coverage.
    6. LESSEE shall provide LESSOR with written notice of any cancellation of such coverage no fewer than thirty (30) days prior to the date coverage ends.
15. **Equipment Storage.** When not assigned to a job, Equipment shall be parked at LESSOR’s Home Yard: **3936 Railroad Ave., Yuba City, CA 95991**. Any other arrangement must be cleared with LESSOR.
16. **Equipment Return.** Upon job completion, or the Cancellation or Termination of this Lease, LESSEE shall return Equipment to LESSOR’s Home Yard. Any other arrangement must be cleared with LESSOR. All costs associated with transporting Equipment to LESSOR’s Home Yard shall be the sole responsibility of LESSEE, even when performed by an outside service.
17. **Unused Equipment.** If any Equipment is parked for a period of greater than two (2) days without the express consent of LESSOR, the Equipment shall be deemed Unused. If work is available, LESSOR reserves the right to pick up such Equipment at LESSEE’s expense and charge LESSEE one hundred dollars ($100) per day for damages.
18. **Termination.** If LESSEE violates any of the conditions set forth in this Lease, LESSOR may, and LESSOR’s sole and complete discretion, declare the Termination of this Lease and effect any and all remedies necessary and allowable herein. Termination shall not relieve LESSEE of any obligation to pay LESSOR any outstanding fees, costs, or other sums due under this Lease.
19. **Entire Lease.** This Lease, including **Schedule 1** and **Attachment A** attached hereto, contains the entire understanding among the parties and supersedes any prior understandings and agreements concerning the subject matter of this Lease.
20. **Lease and Counterparts.** This Lease and any amendments hereto may be executed in several counterparts and when executed shall constitute one agreement binding upon all of the parties hereto, notwithstanding that all are not signatories to the original or the same counterpart.
21. **Non-Waiver.** No waiver of any term, covenant, or condition of this Lease shall be valid unless in writing and signed by both LESSOR and LESSEE. Forbearance or indulgence by LESSOR in any regard whatsoever shall not constitute a waiver of the term, covenant, or condition to be performed by LESSEE to which the same may apply, and until complete performance by LESSEE of any term, covenant, or condition, LESSOR shall be entitled to invoke any remedy available to LESSEE under this Lease or by law or in equity despite said forbearance or indulgence.
22. **Severability.** If any one or more of the provisions contained in this Lease shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, and unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
23. **Execution, Governing Law, and Venue.** THIS LEASE SHALL NOT BECOME EFFECTIVE UNTIL EXECUTED BY AN AUTHORIZED REPRESENTATIVE OF LESSOR. THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN ALL QUESTIONS, DISPUTES OR CLAIMS, WHETHER BASED IN TORT, STRICT LIABILITY, CONTRACT OR EQUITY, ARISING OUT OF OR RELATING DIRECTLY OR INDIRECTLY TO THIS LEASE, THE PERFORMANCE OR BREACH HEREOF, OR TO THE INTERPRETATION, VALIDITY, ENFORCEMENT OR EFFECT OF THIS LEASE, WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES THEREOF.

THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS LEASE SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF CALIFORNIA, OR, AT THE SOLE OPTION OF LESSOR, IN ANY OTHER COURT IN WHICH LESSOR SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY.

LESSEE WAIVES ANY RIGHT IT MAY HAVE TO ASSERT LACK OF PERSONAM JURISDICTION, THE DOCTRINE OF *FORUM NON CONVENIENS* OR TO OBJECT TO VENUE (OR TO SEEK TO TRANSFER VENUE) TO THE EXTENT ANY ACTION OR PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION.

**IN WITNESS WHEREOF**, LESSOR and LESSEE have executed this Lease as of the date first above written.

**LESSOR LESSEE**

**SD Truck World, Inc. MC-754384**

By: By:

Title: Title:

Date: Date:

**Schedule 1:**

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| --- | --- | --- | --- |
| **Year** | **Make** | **Serial No.** | **Equipment No.** |
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