

**Economy Trucking**  
**P.O. Box 525,**  
**Union City, CA 94587**  
**Ph: 510-733-9100 Fax: 510-733-9600**

## **TRAILER RENTAL AGREEMENT**

ACCOUNT NO: \_\_\_\_\_

BETWEEN: ECONOMY TRUCKING  
P.O. BOX 525  
UNION CITY, CA 94587, herein "LESSOR".

AND: \_\_\_\_\_  
TRUCKING COMPANY NAME

\_\_\_\_\_  
INDIVIDUAL'S NAME

\_\_\_\_\_  
MAILING ADDRESS

\_\_\_\_\_  
TELEPHONE NUMBER

HEREIN "LESSEE".

RE: TRAILER NUMBER (S): \_\_\_\_\_

TRAILER STYLE / TYPE: \_\_\_\_\_

Lessee desires to lease trailer equipment from Lessor, and Lessor desires to lease trailer equipment to Lessee. Now, therefore, in the consideration of the mutual promises herein contained, the Lessee and Lessor agree:

This Trailer Rental Agreement supplements and incorporates by reference, the Subhaul Agreement (herein "Subhaul Agreement") entered into by and between Lessee as "Subhauler" and Lessor as "PRIME CARRIER".

1. **DEFINITION OF TRAILER EQUIPMENT:** The term "Trailer Equipment" as used in this agreement includes not only the trailers, but also the tires, brakes and any other component of such trailers.

2. **THE TRAILER EQUIPMENT COVERED BY THIS AGREEMENT IS:** Any trailer or set of trailers owned or leased by Lessor.
3. **RENTAL RATES:** The payment of rental charges shall be paid by the Lessee to Lessor by allowing the Lessor to deduct such charges at the times and in the manner specified in the Subhaul Agreement.
4. **DAMAGE TO RENTAL EQUIPMENT:**
  - A. It is understood and agreed by Lessee that Lessee takes the trailer equipment in an undamaged fully workable condition. Lessee agrees to pay for all damage, expenses, loss or harm to trailers and other equipment during th term of this agreement, other than caused by normal wear and tear. Lessee's payment obligation includes, without limitation, damages to trailer equipment caused by accident, negligence, pilferage, or vandalism. Lessee shall pay all deductibles, and Lessee's liability is not reduced by the terms of any insurance policy. This payment obligation applies to damages, costs and expenses of every kind that are caused during the term of this agreement by any act or omission by Lessee, its agents, servants or independent contractors and third parties. Lessee is also responsible for any and all attorney fees incurred by Lessor in relation to any act or omission that makes this section 4 applicable.
  - B. Lessor must be notified immediately of any damage to a trailer. This includes tires and draw bars as well as any other physical damage.
  - C. Negligence includes, but is not limited to the following:
    - Damage to loaded trailer equipment.
    - Tire damage due to low air pressure, bald tires or sidewall cuts.
    - Tire damage caused by running the equipment over curbs or other stationary objects.
    - Other one-vehicle mishaps
    - Overturned trailing equipment
    - Irresponsible use of trailer on and off the job
  - D. Lessee shall deliver all damaged equipment to lessor's yard, at Lessee's expense, within 24 hours after such damage occurs, unless Lessor directs such equipment to be delivered to another location.
  - E. The lessee who rents the Lessor's trailers is responsible for collision insurance to cover any loss due to traylor upset or any other insurable loss. The Lessee shall deliver to the Lessor a certificate of liability insurance to cover any loss due to trailer upset or any other insurable loss. The Lessee shall deliver to the Lessor a certificate of liability insurance as specified in the Subhaul Agreement, specifying "unidentified trailer and interchange coverage", or similar coverage. The minimum coverage shall be: \$25,000.00 for end dumps & semi bottoms and \$40,000.00 for transfers.

## 5. **ADDITIONAL TERMS AND CONDITIONS:**

- A. **RELATIONSHIP BETWEEN LESSOR AND LESSEE:** Lessee is an independent contractor and shall provide services covered by this agreement only as an independent contractor, and not as an employee of the Lessor.
- B. **IDENTIFICATION:** Lessee's name (DBA) and CA number, and all other appropriate or required identifications, must appear on the power unit operated by the Lessee.
- C. **SAFETY:** Lessee is solely responsible for the safety, condition and operation of its own equipment, and for the safe operation of Lessor's trailer equipment. Lessee must immediately notify Lessor of any unsafe conditions or maintenance needs or requirements with respect to the Lessor's trailing equipment.
- D. **TRAFFIC TICKETS:** Lessee assumes full responsibility for traffic citations involving the trailing equipment. Such citations include, but are not limited to, those issued for spillage, illegal parking, faulty equipment citations, (or fix-it tickets) for items, which have previously been written up on the daily inspection and reported to Lessor. For trailer equipment that is stored at locations other than Lessor's yard, Lessee must deliver the equipment to a location of Lessor's choosing, to allow the Lessor the opportunity to fix or repair such equipment.
- E. **CONDITIONS ON USE OF EQUIPMENT:** None of the tires or other equipment subject to this Rental Agreement is to be used except on the Lessor's trailer equipment. The equipment shall not be altered in any way except as provided in the Rental Agreement. This contract is not permitted to be assigned or transferred by Lessee. The Lessee may not change trailers for any reason without authorization from the Lessor's Head Mechanic or Truck Supervisor.
- F. **HAULING:** Lessee agrees to use Lessor's equipment only on client projects referred by Lessor that Lessee accepts from Lessor and no other projects without prior written approval and consent of Lessor. Lessee is free to accept projects from other parties, but must not use Lessor's trailer equipment on those projects.
- G. **INSPECTIONS AND WRITTEN RECORDS:** To comply with the CHP BIT program, or all other applicable programs, any carrier who maintains a Lessor's trailer shall keep the proper maintenance records. The maintenance records must be delivered to Lessor. Lessee may keep a copy for Lessee's own records. All Lessor trailers must be inspected at 90-day intervals by Lessor's mechanic at Lessor's yard. Lessee's shall make a timely appointment and deliver the trailer to Lessor's yard for these inspections. The CHP BIT program requires maintenance and inspections records. If such records do not exist or are not properly properly, Lessee is responsible for applicable monetary damages. Lessee must provide Lessor with a CHP form 343 or a letter of acknowledgement as proof of its participation in the CHP BIT program. The Lessee shall provide the Lessor with its DMV pull notice number. Lessee shall enroll all its employees in the Pull Notice Program. Lessor may request a copy of said list at any time or inspection by Lessor. Lessee shall comply with all legal requirements.

H. **MAINTENANCE, REPAIR AND SERVICE BY LESSOR:**

- Lessor shall take reasonable action to maintain the trailer equipment in good working condition. However, Lessor makes no warranties, expressed or implied, as to the condition of the trailing equipment or adequacy of any repair.
- All work which Lessor may perform under this agreement, shall be done at the Lessor's shop or other location specified by lessor. Lessee agrees to bring the trailer equipment to Lessor's shop or other specified location, when such repair is needed.
- Tire repair and other normal maintenance and repairs occasioned by normal wear and tear will be done by Lessor at no cost to Lessee if trailing equipment is returned timely to Lessor's yard, or specified place, for said repairs. If lessee fails to bring such equipment to Lessor for maintenance and repair, lessee shall be responsible for such normal maintenance repair.

I. **MAINTENANCE, REPAIR AND SERVICE BY LESSEE. LESSEE IS RESPONSIBLE FOR THE FOLLOWING.**

- Regular lubrication with grease provided by lessor.
- Providing the labor to make minor repairs to trailing equipment.
- Keeping brakes properly adjusted.
- Replacing light bulbs and reflectors
- Reporting to lessor at least weekly, in writing, the condition of the trailing equipment; and more frequently, if warranted by condition of the equipment, or other circumstances.
- Daily safety inspections, upkeep and maintenance

J. **ALTERATIONS:** The Lessee without written consent of the Lessor shall cause no alterations to the trailer equipment. Any alterations requested by Lessee, which are agreeable to lessor, will be made by Lessee at Lessee's sole expense, including those incurred to returning trailer equipment to its original condition; such expense shall be paid by the Lessee.

K. **CLEANLINESS:** The trailer equipment is in clean condition when rented to Lessee. The trailer equipment shall be returned in clean condition. Lessee shall pay all cleaning expenses.

L. **MISSING OR DAMAGED COMPONENTS:** If the trailer equipment is returned to Lesser with components missing or damaged, Lesser may

Deduct from money owed to Lessee an amount equal to the cost of replacing (or fixing) the missing or damaged components in accordance with provisions of the Subhaul Agreement.

**SUBROGATIONS:** Lessor is subrogated to all Lessee's rights against any person, entity, insurer, organization or any other responsible entity. Lessee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights for Lessor. Lessee shall not interfere with such rights of Lessor.

- M. **ADVANCE PAYMENTS AND REFUNDS:** In the event the lessee elects to make advance payments for trailer rental, and such advance payments exceed rental rates, a refund to Lessee will be made by Lessor after rental rate charges and/or other charges herein or in the Subhaul agreement have been deducted, and only after Lessee's checks for said advance payments have been honored by Lessee's bank.
- N. **LICENSE AND TAXES:** Lessor shall furnish California Motor Vehicle Registration Plate and current registration certificate and sticker. Any other licenses or taxes that may be imposed on trailer equipment for any reason are the responsibility of the Lessee. When the truck Supervisor sends the Lessee the new registration stickers, they need to put them on the license plate immediately. Copies of the registration must be put in holders on equipment. If the lessee fails to install stickers, any ticket violations will be the responsibility of the Lessee.
- O. **OUT OF STATE:** Lessee agrees to operate the trailer equipment, subject to the Subhaul Agreement, only in the State of California. Trailer equipment will not be moved out of state without written permission of lessor.

6. **TERMS AND TERMINATION OF AGREEMENT:**

- A. The trailer equipment is leased to lessee for a term commencing on \_\_\_\_\_ and terminating on \_\_\_\_\_.
- B. This agreement may be terminated earlier by either party, with or without cause, giving (30) days' written notice by certified mail to the other party.
- C. Lessor may terminate this agreement for cause, immediately upon written notice. "Cause" includes, but is not limited to, the following: material violation or breach of any term or condition of this Agreement; abuse of any equipment of lessor; being under the influence of alcohol or drugs while performing services, or presenting an unreasonable risk of harm to the public; termination of the Subhaul Agreement; failure of Lessee to make reasonable business use of the leased equipment for the benefit of the Lesser.

7. **AMENDMENTS:** This agreement can only be amended or changed in writing executed by both parties.

8. **RETURN OF TRAILER EQUIPMENT:** Lessee shall return all trailer

equipment, leased equipment, and any and all records, to Lessor's yard, immediately upon termination of this Agreement, or immediately upon termination of the Subhaul Agreement under which Lessee is performing services for Lessor/Prime Carrier. If for any reason Lessee fails to return such trailing equipment, Lessee shall pay lessor the value of such equipment, for all costs, expenses or losses incurred in retrieving such equipment, and for all losses incurred by Lessor, including lost income. Lessee authorizes Lessor to deduct and all such costs, expenses and losses from any payments otherwise due to Lessee.

9. **COLLECTION COSTS:** If any action is brought arising or relating to this agreement, the non-prevailing party agrees to pay to the prevailing party any and all reasonable attorney's fees, costs and expenses incurred by the prevailing party.
10. This Agreement is to be interpreted under the laws of the State of California. The parties agree that this agreement is entered into the County of Alameda, and any action arising under or relating to this agreement shall be brought in the appropriate Court of the State of California, in the County of Alameda.
11. In the event the Lessee allows any leased equipment to be used by any employees, agents or contractors of the Lessee, the Lessee agrees to be personally bound to each and every term of this agreement, and to be personally liable and responsible for any and all claims, demands, losses, expenses, or liabilities to the fullest extent allowed by law, as provided in the Subhaul Agreement between parties.
12. **NOTICE:** Any notices under this agreement shall be made in writing, and shall be effective upon the date of mailing by US mail, first class, certified, prepaid mail with return receipt requested.
13. In the event Lessee terminates this Agreement before expiration of the lease term, or in the event Lessor terminates this Agreement with cause before expiration of the lease term, or in the event Lessee otherwise defaults in the rental obligation under this agreement or SubHaul Agreement, then Lessee shall be liable to Lessor and shall pay Lessor liquidated damages of \$1,200.00 per week for every week between the date of default until the end of the term of the lease. The sum works out to an average of \$200.00 per day for a six day work week and is a reasonable estimate of the loss and damage to Lessor. The parties agree these liquidation damages may be withheld from Lessee/Subhauler's compensation or other sums due from Lessor to Lessee and Lessee agrees to pay the balance of liquidation damages immediately.
14. In the event any provisions of this agreement shall be held to be invalid, the same shall not affect in any respect the validity of the remainder of this agreement.
15. This Agreement, with the other writings incorporated by reference in this agreement, contains the entire understanding between the parties and supersedes, replaces and takes precedence over any prior or other understandings, or oral agreements between the parties regarding the subject matter of this Agreement. The parties agree there are no oral agreements between them.
16. The failure of Lessor to enforce any term or provision of this Agreement at any time, shall not be a waiver of, nor stop, Lessor from enforcing the same or any other provision of this contract at any other time.
17. The Lessor's trailer(s) must be legally and safely parked. The Lessee agrees to provide the Lessor with the location (address & city) of where the lessor's trailer(s) will be parked during non work hours and agrees to notify the Lesser immediately of any changes to the below parking location:

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

14. **PERSONAL GUARANTEE:** If Sub hauler is a business entity, then a duly authorized principal of Sub hauler will personally guarantee performance of all terms and obligations of this agreement, including all financial debts and claims, by signing below.

EXECUTED ON THIS \_\_\_\_\_ DAY OF, 20\_\_\_\_\_.

NAME \_\_\_\_\_ ACCOUNT # \_\_\_\_\_  
Trucking Company Name

SIGNATURE \_\_\_\_\_

**Personal Guarantee**

I am a principal of the Sub Hauler identified in this agreement. I personally guarantee performance of all terms and obligations of this agreement, and agree I am financially responsible under this agreement, and for all debts, claims, or liabilities that arise from or relate to this agreement.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_