

# Meadow Lark Transport, Inc.

## Independent Contractor Operating Agreement

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This Independent Contractor Operator Agreement ("Agreement") is made and entered into this 5th day of September, 2017 by and between MEADOW LARK TRANSPORT, INC., Motor Carrier MC # 203425 ("MEADOW LARK"), located at: 2913 Millennium Circle, Billings, MT, 59102 and Luther Henry Hill ("Contractor") (Collectively, the "Parties").

### RECITALS:

WHEREAS, MEADOW LARK, an authorized motor carrier, desires to provide transportation of freight by truck solely utilizing independent contractors and not utilizing any employees; and

WHEREAS, Contractor is separately engaged in the business of transporting freight by truck on behalf of the public; and

WHEREAS, MEADOW LARK and Contractor intend to create and maintain under the terms of this Agreement an entirely independent relationship and not a relationship of employer and employee; and

WHEREAS, MEADOW LARK desires to utilize the services and equipment of Contractor, and Contractor desires to hold out and render motor freight transportation service to the public, as well as to MEADOW LARK, in the course of Contractor's established trade business and profession; and

WHEREAS, Contractor represents that he/she/it is the owner or is in possession of tractor/power units under valid lease agreement(s) and has legal authority to enter into this Agreement and commit such tractor/power unit(s) for utilization under this Agreement; and

WHEREAS, MEADOW LARK and Contractor desire to enter into this Agreement for the purpose of carrying out the foregoing purposes in accordance with the provisions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which the Parties acknowledge, the Parties mutually agree as follows:

- 1. Compensation / Minimum Shipments:** Contractor, for the compensation set forth in Exhibit A attached (% Based Agreement), shall use the equipment more specifically described in Exhibit C attached (Equipment) and shall provide the necessary labor to transport, load and unload the freight, the transportation of which is made available by MEADOW LARK to Contractor. MEADOW LARK agrees to make freight available for transportation by Contractor whenever reasonably feasible and shall provide at least three (3) shipments per year. Contractor may search for his own freight but MEADOW LARK will be responsible for approving the customer or broker, booking and signing the rate confirmation. MEADOW LARK shall provide the Contractor with the pick-up and delivery information and any special handling instruction timely received by shipper so that the Contractor can provide the necessary labor to transport, load and unloaded the freight. By performance of such services, Contractor agrees that the only compensation for such services payable by MEADOW LARK to Contractor shall be the compensation, as set forth in Exhibit A attached.
- 2. Payment Terms:** MEADOW LARK shall pay Contractor the compensation ("Settlement(s)") on Fridays (but in any event not later than 15 days) after submission (3 p.m. MST cutoff time on Tuesday) by Contractor to MEADOW LARK the following shipping documents, unless a good faith dispute exists, in which case MEADOW LARK shall be entitled to contest the compensation: (a) driver's logs as required by governmental authorities evidencing delivery of freight from point of pickup to point of destination; (b) original bills of lading and/or delivery receipts; (c) such other documents as MEADOW LARK may require from time to time that may be necessary for MEADOW LARK to secure payment from a shipper; and (d) completed trip cost report evidencing point of pick-up to point of destination. Contractor shall promptly submit such documents to MEADOW LARK as requested, and such other documents as may be required by law. Upon termination, of this Agreement, ( for any reason), and subject to the terms hereof, after all gross revenues are collected, compensation payable is calculated, claims are settled, and all deductions have been made, MEADOW LARK will prepare and deliver a final accounting to Contractor of all amounts owing to Contractor, and all amounts owed by Contractor to MEADOW LARK, and in the event amounts are owed to Contractor, payment will be made within 45 days of delivery of the accounting.
- 3. Compliance With Applicable Laws:** Contractor shall comply with all applicable (US and Canada) federal, state and provincial laws and regulations. Contractor shall comply, at all times, with all applicable laws and regulations governing performance of this Agreement including, but not limited to, loading and securement of freight, driver safety regulations including but not limited to hiring, use of controlled substances, and hours of service, sanitation and temperature requirements for transporting food and other perishables, maintenance of equipment, and control of the means and method of transportation including but not limited to performance of Contractor's drivers. MEADOW LARK shall comply with applicable federal and state laws and regulations relating to its performance hereunder. Compliance with applicable laws and regulations by each of the Parties shall be subject to verification by either of them at

any time on reasonable request. CONTRACTOR SHALL COMPLY WITH ALL LAWS, RULES AND REGULATIONS REGARDING PASSENGERS WHILE PROVIDING FREIGHT TRANSPORTATION SERVICES FOR THE BENEFIT OF MEADOW LARK (49 CFR 392.60). Without limiting the foregoing, Contractor agrees to maintain in Contractor's possession in the leased Equipment during its operation at all times during the performance of this Agreement, a copy of this Agreement.

4. **Exclusive Possession:** MEADOW LARK shall have the exclusive possession, control and use of the Equipment utilized for performance of this Agreement and shall assume complete responsibility for the safe operation of the Equipment for the duration of this Agreement. Nothing in this paragraph shall be construed to create an employment relationship between the Parties.
5. **No Discrimination:** Contractor and MEADOW LARK shall not discriminate against their respective employees, agents, or servants on the basis of race, color, sex, religion, ancestral or national origin, political or social affiliations or disability.
6. **Independent Contractor:** Contractor is an Independent Contractor of MEADOW LARK, and any and all persons hired or employed by Contractor to perform services in connection with this Agreement existing between MEADOW LARK and Contractor are the employees or agents of Contractor, and not those of MEADOW LARK. Contractor has and shall retain sole financial and legal responsibility for compliance with all applicable workers' compensation insurance requirements, withholding and employment taxes due to federal, state, or local governments on account of drivers, drivers' helpers, and other workers necessary for the performance of Contractor's obligations hereunder. Contractor agrees to indemnify, save and hold MEADOW LARK harmless from any and all claims by Contractor, Contractor's employees, Contractor's drivers, drivers' helpers, agents, and any other workers used by it or by any federal, state or local governmental agency on account of wages, industrial accident, unemployment compensation claims, or workers' compensation claims, tax, withholding and employment taxes, or any other actions arising from employment taxes, or any other actions arising from Contractor's relationship with its own employees. It is further agreed that any property damage, bodily injury, and/or any other harm or damage sustained by Contractor's drivers or caused by Contractor's drivers to unauthorized passengers, will be the sole responsibility of Contractor. To help fulfill Contractor's obligations under this paragraph, Contractor agrees to:
  - a. Maintain in effect, at all times, workers' compensation insurance as required by applicable state statutes and regulations, and all drivers, drivers' helpers, agents, and laborers used by it in the performance of this Agreement;
  - b. File and pay all applicable state and local income taxes, tax withholding, employment, unemployment, taxes and returns, federal heavy vehicle use tax forms and returns, all of which it may be required to file on account of its drivers, drivers' helpers and agents, and laborers used by Contractor in the performance in the performance of this agreement at the time and place specified in applicable federal, state and local laws and regulations and to report and pay when due all such taxes and contributions required to be paid in such forms and returns;
  - c. With respect to the requirement of Subps. (a) and (b) above, furnish to MEADOW LARK such evidence of compliance with the foregoing as MEADOW LARK shall reasonably request.
7. **Insurance:** The Parties further agree as follows:
  - a. MEADOW LARK shall maintain insurance coverage for protection of the public pursuant to 49 U.S.C. §13906, and any applicable related regulations, as well as all amendments and modifications thereof, as adopted by the Federal Motor Carrier Safety Administration or the Federal Highway Administration, of the U.S. Department of Transportation.
  - b. Under no condition shall MEADOW LARK be responsible for any damage to Contractor's Equipment. Contractor shall purchase and maintain "Non-Trucking Liability" with respect to public liability and property damage for \$1,000,000. Contractor shall provide MEADOW LARK with proof of such insurance and name MEADOW LARK as a certificate holder.
  - c. Contractor shall hold MEADOW LARK harmless, defend, and indemnify it on demand from any claims or loss or damage(s) including but not limited to legal expenses and reasonable attorney fees incurred by MEADOW LARK as a result of the operation, maintenance or use of the Equipment, which is not directly authorized and/or not directly related to the performance of this Agreement. Contractor shall obtain and pay for, all public liability and property damage insurance respecting the use of the Equipment while not being used in the service of MEADOW LARK.
  - d. Contractor may obtain the required "bobtail insurance" from any insurance company of its choosing. In the event Contractor chooses to purchase the required bobtail insurance, or any other form of insurance coverage for the operation of Contractor's equipment, which MEADOW LARK may make available as a convenience to Contractor, MEADOW LARK shall be and is hereby authorized to deduct the costs of such insurance along with the administrative charges for obtaining the insurance, as set forth in Exhibit B attached, directly from Contractor's Settlement(s).
  - e. MEADOW LARK is not in the insurance business and is not an agent of any insurance agency, carrier or underwriter that may issue insurance coverage. Contractor waives any and all claims it may have at any time against MEADOW LARK arising out of any failure on the part of any insurance agent, company or underwriter to cover or honor the terms and conditions of any insurance policy.

- f. In the event Contractor chooses to purchase insurance of any kind through MEADOW LARK, MEADOW LARK will provide Contractor with a certificate of insurance for each such insurance policy. Upon request, MEADOW LARK will provide Contractor with a copy of each policy as soon as practicable.
- g. Authorized Deductible: MEADOW LARK shall be responsible for the \$10,000 (deductible) of any loss resulting from: (1) shortage, loss or damage to cargo while in the care, possession, or control of Contractor, its agents or employees; and/or (2) the \$10,000 (deductible), of any loss covered by MEADOW LARK's property damage and personal injury liability insurance and/or; (3) the \$10,000 (deductible) of loss resulting from damage of any kind whatsoever to equipment and/or other property of MEADOW LARK while in the possession of Contractor, its agents, or employees; (4) CONTRACTOR shall be responsible for \$10,000 (deductible) of any loss resulting from (in whole or in part) from theft of cargo and or Equipment which is left unsecured/unattended overnight, weekends, holidays; and failing to tarp cargo or tarp cargo properly and/or any damage to cargo or equipment intentionally caused by Contractor. Any monies due MEADOW LARK under this Subp. 7(g), may be deducted from any Settlement(s) monies due or to come due to Contractor.
- h. MEADOW LARK shall, at the time of payment or Settlement(s), provide Contractor with a written explanation and itemization of any deductions made from any monies due Contractor.
8. Equipment ID: Contractor shall display all equipment identification as required by law. All equipment identification shall be provided by MEADOW LARK and shall remain the property of MEADOW LARK. Such identification shall be removed by Contractor and remain the property of MEADOW LARK upon termination of this Agreement. If the equipment identification has not been lost or stolen, Contractor must provide notice to MEADOW LARK, via a letter certifying its removal. MEADOW LARK may take any steps necessary to recover its property and shall be entitled to deduct, and Contractor shall be required to pay, \$50 per day for each day following termination hereof that identification is not returned from Settlement(s) monies due or to come due to Contractor.
9. Miscellaneous: The Parties further agree as follows:
- a. This Agreement may be terminated with or without cause by either party on thirty (30) days prior written notice or immediately in the event of breach of this agreement. Notice may be given verbally or in writing. Upon Contractor's terminating this Agreement, he or she shall complete the transportation of any shipments accepted, and/or in transit, and perform all services required in connection herewith or be liable to MEADOW LARK for any expenses or damages resulting from the failure to do so, including but not limited to reasonable attorney fees. Additionally, in the event that Contractor terminates this Agreement within ninety (90) days of the date the agreement is signed, Contractor shall be charged and agrees to pay Five Hundred Dollars (\$500) to MEADOW LARK to cover sign-on expenses. Said charges, expenses or damages (including reasonable attorney fees) may be deducted from Settlement(s) due or to come due to Contractor (including payment for freight in transit) and shall be paid subject to the terms of this Agreement. MEADOW LARK shall pay for completion of such services as provided for in Exhibit A, subject to all deductions allowed under this Agreement. The representations and obligations of the Parties shall survive termination of this Agreement for any reason. If Contractor fails to comply with the 30 day notice requirement, he/she/it shall be liable to MEADOW LARK, in addition to all other damages hereunder, to the damages as defined in Par. 14 below.
- b. Termination under Par. 9(a) is made effective by mailing or delivering written notice to the other Party at its last known mailing address.
- c. Except for the terms of Pars. 6, 7(c), and 13(b) under no conditions will either Party be liable to the other for special or consequential damages of any kind.
- d. In the event of termination of this Agreement by either Party for any reason, any agreements for rental of trailers from MEADOW LARK by Contractor shall be automatically terminated.
10. Responsibility for Payments: CONTRACTOR shall retain all responsibility and pay for:
- a. All wages, hours, working conditions, workers' compensation insurance, management, supervision, and all other aspects and requirements of any kind whatsoever related to the performance of this Agreement;
- b. The selection, purchasing, leasing, financing, maintenance and utilization of the equipment;
- c. The selection of all routes, loading and unloading; the weighing measuring of all loads as required by law;
- d. Except for trailers rented from MEADOW LARK by CONTRACTOR all operating expenses of any kind whatsoever, including, but not limited to:

- (1) Fuel costs; fuel surcharges
- (2) Ferry fees;
- (3) Base plates and licenses, except as provided in Exhibit A;
- (4) Equipment maintenance and repair;
- (5) Road taxes;
- (6) Tolls (except those approved in Exhibit A) and ferry charges;
- (7) Fines of all types except as otherwise provided in 49 C.F.R. §376.12(e);
- (8) Permits of all types, unless specified otherwise in Exhibit A;
- (9) Insurance including administrative costs procured by MEADOW LARK for Contractors benefit as provided for herein; and
- (10) All other levies or assessments of any kind related either directly or indirectly to Contractor's operation of its equipment or performance of this Agreement.

11. Term: This agreement shall continue in effect for an initial period of thirty (30) days from the date first written above and thereafter renew automatically for successive thirty day periods unless canceled by either party as provided in Paragraph 9a. The term of this Agreement shall be for one (1) year from the date shown above. That term may be extended for another year by mutual agreement at or prior to the expiration of the first year, or if no further agreement is executed by that date, this agreement shall remain in effect until superseded by a further agreement, or cancelled upon thirty (30) days written notice of cancellation by either party.
12. Authorized Deductions: Contractor by executing this Agreement authorizes MEADOW LARK to deduct expenses or other payment obligations for the following items from any Settlement(s) due or to come due to Contractor:
  - a. Advances made by MEADOW LARK to Contractor and administrative charges, for making advances;
  - b. For claims arising under Par. 7(g)(4), MEADOW LARK will withhold the \$10,000 deductible from Settlement(s) due or to come due in an open pending claim account until claims are verified and settled. If the insurance company closes the claim and no payment is made to the claimant by MEADOWLARK or the insurance company, the \$10,000 that was held in the open claims account will be credited back to the Contractors settlement.
  - c. Base plate, license and permit fees as may be required by federal and state statutes, rules, regulations, and multi-jurisdictional agreements; provided along with any administrative charges for obtaining said base plate and permits (for Base Plate Rates see Exhibit A attached);
  - d. Insurance premiums for any insurance, along with any administrative charges for obtaining said insurance, purchased by Contractor through MEADOW LARK;
  - e. Any federal or state taxes, fines or statutorily mandated employee insurance claims or benefits MEADOW LARK may be required to pay as a result of Contractor's failure to comply with the terms of Par. 6;
  - f. Any advances made by MEADOW LARK for operating expenses listed in Par. 10(d) of this Agreement;
  - g. Any other deductions or set-offs authorized by law, this Agreement or by Contractor in writing; and
  - h. Contractor shall be liable to MEADOW LARK to the extent that any obligation under this Agreement exceeds the amount owing to Contractor by MEADOW LARK.
  - i. Financed Equipment: To the extent that any equipment utilized by Contractor to perform any services under this Agreement, is financed with any lending institution, Contractor authorizes MEADOW LARK to make payments directly to such institution upon receipt of written instructions from Contractor. MEADOW LARK charges a 3% administration fee for this service. Contractor shall be solely responsible for providing correct payment information to MEADOW LARK, including name of institution, address, phone contact, bank routing number, account number to which the payment is to be made, and any other information required by the financing institution to assure proper credit is made to Contractor. MEADOW LARK will make the payments until Contractor (or the financing institution) instructs MEADOW LARK in writing, to discontinue. MEADOW LARK makes no warranty or representation express, or implied that Settlements will be sufficient to make the payments as instructed, and no partial payments will be made. Contractor shall be solely liable to financing institution to the extent that Settlement(s) are not large enough to make the payment(s) to which Contractor is obligated. Except as otherwise provided herein, MEADOW LARK reserves the right to discontinue this service at any time for any reason, on 15 days prior written notice to Contractor. Contractor shall be solely liable, hold harmless and indemnify MEADOW LARK for any claims, liability of any kind, including but not limited to reasonable attorney fees, arising from MEADOW LARK'S decision to discontinue this payment service and/or any billing or payment disputes between Contractor and any such financing institution.
  - j. MEADOW LARK has supplied Contractor with an Omnitrac e-logging device and scanner. Upon termination of this Agreement, Contractor is required to return this equipment in good working order within 15 days to: 2913 Millennium Circle, Billings, MT 59102. MEADOW LARK may take any steps necessary to recover its property and shall be entitled to deduct, and Contractor shall be required to pay \$900 from Settlement(s) monies due or to come due to Contractor.

13. The Parties further agree as follows:
- a. **Liability for Refused Shipments:** In the event Contractor refuses to accept a shipment(s) after having agreed to transport the shipment(s), and as a result MEADOW LARK incurs losses consisting of the increase in cost of delivery between the amount it quoted to a shipper and the amount it would have paid Contractor, and the cost it actually paid another motor carrier (contractor or not), then Contractor shall be liable to MEADOW LARK for such loss and additionally, MEADOW LARK may deduct said amount(s) from any Settlement(s) owing Contractor.
  - b. **Prohibited Subcontracting:** Contractor shall not assign, "trip lease", broker, subcontract, interline, or otherwise arrange for the transportation of freight hereunder to any other carrier or third party, without the prior written consent of MEADOW LARK. In the event of violation of this subparagraph, MEADOW LARK shall have the right of paying the delivering carrier directly with no Liability to Contractor. Additionally, Contractor shall be liable to MEADOW LARK for all resulting damages sustained, including, but not limited to, consequential damages and reasonable attorney's fees.
14. **Liability/Failed Delivery:** In the event that Contractor fails to complete a trip, abandons a shipment, or otherwise subjects MEADOW LARK to liability, directly or indirectly related to Contractor's failure to perform (or to perform adequately), MEADOW LARK shall have the right to complete performance in any reasonable manner or method, using the Equipment or any substituted equipment. MEADOW LARK, may charge Contractor for any costs, expenses, losses or damages (including but not limited to reasonable attorney fees), incurred, in order to complete performance, either directly or, at MEADOW LARK's election, deduct them from Settlement(s) due, or to come due to Contractor.
15. **No Purchases Required:** Under this Agreement, Contractor is not required to purchase or rent any products, equipment, or services from MEADOW LARK as a condition of entering into this Agreement. Terms of any agreements between MEADOW LARK and Contractor regarding any voluntary equipment purchase or rental is set forth in Exhibit A to this Agreement.
16. **Leasing Tractors without Trailers / Renting Trailers:** In the event the Contractor leases tractor(s) without trailers(s) to MEADOW LARK; or Contractor rents trailers from MEADOW LARK:
- a. Contractor shall comply with all applicable laws and regulations pertaining to operation of the tractor(s) and comply with all laws and regulations including but not limited to maintaining trailers (which are not acquired or obtained from MEADOW LARK), in good mechanical and working condition as well as performing pre-trip inspections, assuring current licensing, and current annual inspection reports prior to any use.
  - b. Contractor will keep the tractor(s) connected to trailer(s) (furnished by MEADOW LARK) and secure MEADOW LARK's trailers(s) at all times unless an alternative security arrangement has been made with MEADOW LARK. Contractor shall not use MEADOW LARK's trailer(s) or other equipment for any other than MEADOW LARK's authorized business except as otherwise provided by this Agreement, and shall maintain MEADOW LARK's trailer(s) in good mechanical and working condition. If MEADOW LARK terminates this Agreement for any reason any trailers rented by CONTRACTOR from MEADOW LARK must be returned to a location designated by MEADOW LARK at CONTRACTOR'S expense.
  - c. Contractor shall be responsible for all operating expenses associated with any POWER ONLY/TOW AWAY shipments. (See Par. 10(d))
  - d. In the event Contractor rents trailer(s) from MEADOW LARK, its use shall be subject to not only to the terms of this Agreement, but also the terms of and conditions of Trailer Rental Agreement incorporated herein by reference.
17. **Payments to Partnerships and Corporations:** It is specifically understood and agreed that in the event Contractor is a partnership, MEADOW LARK may make full or partial payment/Settlement(s) to any partner, and each partner holds MEADOW LARK harmless as to disbursement made to any other partner. In the event Contractor is a corporation, MEADOW LARK may make full or partial payments/Settlement(s) to any individual with apparent authority to bind the corporation and the corporation holds MEADOW LARK harmless as to disbursements made to said individual.
18. **Miscellaneous:** This Agreement shall be governed by the laws of the State of Montana. The Parties intend to create by this Agreement an independent business relationship of MEADOW LARK and Contractor, and not an employer-employee relationship. Neither Contractor nor its employees are to be considered employees of MEADOW LARK at any time under any circumstances or for any purpose. Neither Party is the agent of the other, and neither Party shall have the right to bind the other by contract or otherwise except as herein specifically provided. Except as otherwise provided herein, in event of a material breach hereof by Contractor, Contractor shall be liable to MEADOW LARK for all direct losses, expenses and costs incurred by MEADOW LARK including, but not limited to, reasonable attorney's fees. Contractor acknowledges that its sole relationship with MEADOW LARK is as MEADOW LARK's independent contractor under this Agreement, and that Contractor, by virtue of this Agreement, has no relationship with any third party, including without limitation any subsidiary or affiliate of MEADOW LARK. This Agreement, its exhibits, and documents provided in order to obtain payment constitute the entire Agreement and understanding between the Parties and shall not be modified, altered, changed, or amended in any respect unless in writing and signed by both Parties. Headings are for convenience of Parties only and shall not be considered substantive nor interpretive of meaning of any provisions herein.

19. Waiver: Waiver of any provision of this Agreement shall not be deemed continuing waiver of that provision or any other provision of this Agreement. MEADOW LARK shall, as required by law, provide Contractor with IRS Form 1099. Contractor shall furnish MEADOW LARK with either a tax identification number or social security number.
20. Signed Copies / Keep in Motor Vehicle: The Parties agree to sign an original of this Agreement. MEADOW LARK shall keep the original, and Contractor will be given two (2) copies. One copy shall be placed and carried in each motor vehicle and the Contractor shall keep the remaining copy of this Agreement for his files.
21. Disputes: In the event of a dispute arising out of this Agreement, the Party's sole recourse shall be as follows: (a) The complaining Party shall give the other Party 30 days written notice to "cure" any alleged default and if not "cured," may take any other collection actions it deems appropriate; if the default is not "cured;" (b) for amounts in dispute up to \$25,000.00 the complaining Party shall have the right to select arbitration or litigation; and (c) for amounts in dispute which exceed \$25,000.00 the complaining Party's sole recourse shall be to binding arbitration. Arbitration proceedings shall be conducted under the rules of the American Arbitration Association (AAA), Transportation ADR Council, Inc. (ADR), or Transportation and Mediation PLLC (TAM), at MEADOW LARK's sole discretion. Upon agreement of the Parties, arbitration proceedings may be conducted outside of the administrative control of the AAA, ADR or TAM. The decision of the arbitrators shall be binding and final and the award of the arbitrator may be entered as judgment in any court of competent jurisdiction. The prevailing Party( in arbitration or litigation) shall be entitled to recovery of all pre-litigation or arbitration costs, collection costs, and expenses of litigation or arbitration, and reasonable attorney fees, including those incurred pre-litigation and pre-arbitration, as well as those incurred in any litigation or arbitration action, and/or incurred in any action for injunctive relief, or in the event further legal action is taken to enforce the award of arbitrators or judgment in any court. Arbitration proceedings shall be conducted at the offices of the AAA, ADR or TAM in Montana, or such other place as mutually agreed upon in writing or directed by the acting arbitration association. Provided, however, either Party may apply to a court of competent jurisdiction for injunctive relief. Unless preempted or controlled by federal law and regulations, the laws of the State of Montana shall be controlling. This paragraph shall not apply to enforcement of the award of arbitration. Arbitration or litigation proceedings shall be commenced not later than one year after delivery of prior detailed written notice of alleged default or be permanently barred.
22. Interpretation: This Agreement shall be construed, interpreted and enforced in a manner consistent with 49 CFR 376.2, 376.11 and 376.12 and in event of conflict with the terms of this Agreement, the cited regulations shall be controlling.
23. Recitals: The Recitals above are contractual as well as recital.
24. Voluntary Agreement: Contractor acknowledges and agrees that he/she has had sufficient time to carefully review the contents of this Agreement, he/she understands and agrees with the contents hereof, he/she has signed this Agreement as his/her free act and deed, and that he/she has had sufficient opportunity to obtain and consult with his/her own counsel.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

Signed this 5th day of September, 2017

MEADOW LARK TRANSPORT, INC.

INDEPENDENT CONTRACTOR

Agreed By: \_\_\_\_\_

Its: Onboarding Department

 \_\_\_\_\_

Its: Owner Luther Henry Hill

## EXHIBIT A (% Based Agreement)

Exhibit A to Independent Contractor Operating Agreement Percentage Based Compensation between MEADOW LARK Transport Inc. and Independent Contractor.

### 1. COMPENSATION

#### a. Contractor shall receive:

If you are needing a MEADOW LARK Van trailer, please see the following compensation schedule

- i. 65% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the first consecutive 12 months of the Agreement;
- ii. 66% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the second consecutive 12 months of the Agreement;
- iii. 67% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the third consecutive 12 months of the Agreement;
- iv. 68% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the fourth consecutive 12 months of the Agreement;

If you have your own trailer or if you are needing a MEADOW LARK trailer(other than van) please see the following compensation schedule:

- v. 72% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the first consecutive 12 months of the Agreement;
  - vi. 73% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the third consecutive 12 months of the Agreement;
  - vii. 74% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the third consecutive 12 months of the Agreement;
  - viii. 75% of line haul revenue less any charges incurred by MEADOW Lark, not under the control of the Contractor and MEADOW LARK for all loads during the fourth consecutive 12 months of the Agreement;
- b. For purposes of clarifying the calculation of Contractor's compensation; all costs charged by MEADOW LARK to its shipper customers (or other parties responsible for payment) related to any kind of over dimensional loads, permits, permit ordering fees and escorts, will be deducted from gross revenue before calculation of line haul revenue for purposes of calculating Contractor's compensation.
- i. All costs incurred by MEADOW LARK which exceed those referred to above; related to any kind of over-dimensional loads, permits and escorts, which arise out of Contractor error, will be deducted from gross revenue before calculation of line haul revenue for purposes of calculating Contractor's compensation.
- c. Annual Permits - Subject to the terms of Section b above; where Contractor has a valid annual permit for transporting over-dimensional loads, and a shipment is transported under the terms of this Agreement through a state in which the permit applies. Contractor will be reimbursed for the permit cost(s) for that shipment(s). Escort costs, if not included in the annual permit fee, will be treated as described in Section b above.
- d. Extra Pick-up or Delivery on Truckload shipments: Contractor shall receive 100% of additional charges for extra pickup or deliveries as long as the charges are entered as additional line items and charged to the customer in LoadMaster. Picking up a pre-loaded trailer from a terminal or dropping a loaded trailer at a terminal is not counted as an extra pickup or delivery. Re-consignments shall be considered the same as an extra stop.
- e. Detention/Truck Ordered Not Used/Layovers - Contractor shall receive 95% of charges for detention, truck ordered not used and layover as long as charges are entered as additional line items and charged to the customer in LoadMaster (MEADOW LARK's Software). If the charges are not approved via rate confirmation then payment to Contractor will not be made unless and until payment from customer has been received.
- f. Deadhead - Contractor shall receive 100% of additional charges for deadhead as long as charges are entered as additional line items and charged to the customer in LoadMaster (MEADOW LARK's Software). If the charges are not approved via rate confirmation then payment to Contractor will not be made unless and until payment from customer has been received.
- g. Tolls - Contractor shall be reimbursed for tolls following receipt by MEADOW LARK of proof of payment by Contractor as long as charges are entered as additional line items and charged to the customer in LoadMaster (MEADOW LARK's Software). If the charges are not approved via rate confirmation then payment to Contractor will not be made unless and until payment from customer has been received.
- h. Driver or Vehicle Inspection & Violations - For every clean Driver/Vehicle Inspection (there must be no violations) \$100.00 shall be added to Contractor's Maintenance Reserve for every clean Level I inspection. For every clean Driver/Vehicle Inspection \$75 shall be added to Contractor's Maintenance Reserve for every clean Level II inspection. For every clean Driver/Vehicle Inspection \$50 shall be added to Contractor's Maintenance Reserve for every clean Level III inspection. MEADOW LARK will deduct \$100.00 from settlement if any Driver Violations are present (ex. HOS violations, speeding, etc). In lieu of deducting \$100.00 for vehicle violations, a new

FHWA annual inspection will be required each time violations are noted on a DOT roadside inspection form - not just Out of Service violations. There are a few exceptions to this (ex. fire extinguisher not secure). In this case a new annual inspection would not be required. These exceptions are at the discretion of Management and Safety Director.

## 2. ADVANCE ADMINISTRATIVE CHARGES

- a. Advance Administrative Charges - Cash advances requested by Contractor, and made by MEADOW LARK at its sole discretion to Contractor, are subject to an administrative charge of 3% or \$10 (whichever is greater) for each such advance. This is above and beyond the daily per diem that is available to the Contractor. All applicable fees from Comdata will be charged back to the Contractor. Advances and fees will be deducted from any Settlement(s) due Contractor.

## 3. FUEL CARDS

- a. Fuel purchases MUST be made using the Comdata card furnished by MEADOW LARK. This is a fuel only card and you must swipe your card at the fuel pump, and the transaction time must match your log book entry. Each day you are under dispatch, you will be able to purchase up to 150 gallons of fuel. Fuel purchases and all associated Comdata service fees will be deducted from any Settlement(s) due Contractor.
- b. While under dispatch, a weekly cash per diem (not to exceed \$175) is available to you. The per diem limit is reset every Monday and you will be subject to an administrative charge up to \$4.50 each time you initiate this type of advance. Per Diems, administrative charges and all associated Comdata service fees will be deducted from any Settlement(s) due Contractor.

## 4. BASE PLATES

- a. Contractor may furnish its own base plates, or may elect to use base plates provided by MEADOW LARK. At the 65% lease, MEADOW LARK will cover the base plate fee at no charge to the Contractor. At the 75% lease, baseplates will be charged and deducted from Contractor Settlement(s) at \$50.00 per week per tractor during the term of this Agreement. The maximum amount to be deducted / held at any time is \$1,800.00. Deductions begin 2 weeks after sign on. If this Agreement is terminated, Contractor must return base plate. Any negative balance on the account will be deducted from final Settlement(s). If baseplates are furnished by Contractor, Contractor will not be subject to weekly deduction from Settlement(s).

- YES – plate my tractor at \$50 per week per tractor deduction. I have provided my current 2290, title and bill of sale  
NO – I have provided MEADOW LARK Transport Inc. with current copies of base plates

## 5. OTHER WEEKLY SETTLEMENT DEDUCTIONS

**Weekly deductions are due every Monday or the 1st settlement of the week.**

- a. Trailers – Where applicable, Contractor agrees that trailer rent shall be paid through MEADOW LARK deductions from Settlement(s) to contractor as outlined in a separate trailer rental/lease agreement.
- b. Occupational Accident Insurance – MEADOW LARK requires Contractor to have Occupational Accident Insurance. Proof of this coverage must be provided to MEADOW LARK before the completion of the qualification process. You are not required to purchase insurance through MEADOW LARK. If you choose to do so, you will be charged \$42.25 per week. When first set up there is a deposit of \$169.00 (split into four payments) for the first month's premium in addition to the start of the \$42.25 weekly. The deductions start so that there are funds to pay the next month's premium.
- c. Non-Trucking Liability Insurance – MEADOW LARK requires Contractor to have Non-Trucking Liability Insurance. Proof of this coverage must be provided to MEADOW LARK before the completion of the qualification process. Where applicable, contractor agrees that the cost and administrative charges for any insurance purchased through MEADOW LARK shall be paid through MEADOW LARK deductions from Settlement(s) to Contractor. You are not required to purchase insurance through MEADOW LARK. If you choose to do so, you will be charged \$30.00 per month for Non-Trucking Liability Insurance - taken out in weekly payments. There is an administrative service charge due MEADOW LARK of 1%.
- d. Physical Damage Insurance – Where applicable, contractor agrees that the cost and administrative charges for any insurance purchased through MEADOW LARK shall be paid through MEADOW LARK deductions from Settlement(s) to Contractor. You are not required to purchase insurance through MEADOW LARK. Physical Damage Insurance is based on the value of your equipment and will be determined accordingly. There is an administrative service charge due MEADOW LARK of 1%.
- e. Maintenance Reserve – This is a fund set up to help pay for oil changes, preventative maintenance, tires and breakdowns. Deductions start 5 weeks after hire date at \$50.00 per week.



f. Contractor acknowledges that he is purchasing the truck(s) identified in this Agreement from Ascent Transportation Services Inc. in Portland, Oregon. In connection with that purchase, Contractor agrees to instructs Meadow Lark to (1) to pay 100% of Settlements earned hereunder directly to Ascent after first subtracting any other authorized deductions, and (2) that said payment satisfies all Meadow Lark's payment obligations to him hereunder, and (3) Contractor holds Meadow Lark harmless from any claims for compensation, and waives any rights he may have against Meadow Lark for any other or further compensation under this agreement. Meadow Lark makes no representations or warranties that the Settlements earned will satisfy Contractors purchase obligations to Ascent.

Contractor acknowledges and agrees that Ascent is totally responsible for all maintenance and repairs of any kind on the truck identified herein and purchased from Ascent, and that Meadow Lark has no obligation to advance payments to Contractor or any other party for maintenance and repairs for any reason.

Upon receipt of written confirmation and proof, satisfactory to Meadow Lark, from Ascent, that all amounts owing to Ascent for purchase of the truck have been paid in full, Meadow Lark will pay contractor for future Settlements earned as described herein.

6. INSURANCE APPROVAL

Contractor authorizes and directs MEADOW LARK to deduct insurance costs plus MEADOW LARK's administrative charges, from weekly Settlement(s) due or come due to Contractor.

Please check below

Yes  No  Occupational Accident Insurance premium currently \$42.25 weekly (subject to change)  
There is a \$169.00 (split in four) for first month premium in addition to the start of the \$42.25 weekly.

Yes  No  Non-Trucking Liability Insurance premium currently \$30/month (subject to change)

Yes  No  Physical Damage Insurance / Tractor Value \$ \_\_\_\_\_

Yes  No  Physical Damage Insurance / Trailer Value \$ \_\_\_\_\_

7. SETTLEMENT OPTIONS

Trips that are scanned and received or emailed to our office by 3:00pm MST on Tuesday will be settled on Thursday and paid on Friday. There are currently 2 options for receipt of settlements, direct deposit or Comdata upload.

Direct Deposit  
 Comdata upload (\$2.50 charge deducted from each settlement)

I authorize MEADOW LARK Independent Sales Rep (ISR), and all employees in ISR's office, access to my settlement screen

8. BONUS PROGRAMS:

**Sign on Bonus:** Driver will be paid \$30.00 per week up to \$1500.00 | \$500.00 to be paid out after 18 months with the company | \$500.00 to be paid out on the 2 year anniversary | Total payout is \$2500.00

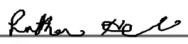
**Driver Referral Bonus:** \$100 on new drivers 1st dispatch. \$200.00 more after 30 days of new driver on with MEADOW LARK. \$200.00 more after new driver is on for 60 days. For a total of \$500.00 to you for referring the driver. You will receive 20 driver referral cards in your new hire packet to pass out to drivers. Just think, that could be \$10,000 extra dollars in your pocket!!!

Signed this 5th day of September, 2017

MEADOW LARK TRANSPORT, INC.

INDEPENDENT CONTRACTOR

Agreed By:   
Its: Onboarding Department

  
Its: Owner Luther Henry Hill

Contractor has been provided adequate opportunity to seek advice of counsel of his/her own choice prior to signing this amendment.

**Tractor:**

Make:INTERNATIONAL	Model:TR	Year:2014
Color:WHITE	Serial #:3HSDJAPR7EN778598	
Tag #:2172061	Tag State:IN	
Date of Purchase:09-22-2017	Purchase Price:123056	
Empty Weight:19272	Tractor Length:173	# of axles:3
Tire Size:28575R225		

**Trailer:**

Type of Trailer:		
<input type="checkbox"/> Flat <input type="checkbox"/> Stepdeck <input type="checkbox"/> Double Drop <input type="checkbox"/> Stretch <input type="checkbox"/> Van <input type="checkbox"/> Reefer <input type="checkbox"/> Other:		
Make:	Year:	Serial #:
Tag#:	Tag State:	
Date of Purchase:	Purchase Price:	
Empty Weight:	Trailer Length:	Trailer width:
Trailer Height:	Tandem or Spread Axle:	Tire size:
Overall Length of Tractor and Trailer:		Kingpin Setting:
Back Deck Length:	Height:	
Top Deck Length:	Height:	
If double drop:		
Well Length:	Height:	
# of Axles:		
Axle Spacing:	1 – 2:	2 – 3:
	3 – 4:	4 – 5:
	5 – 6:	6 – 7:

Signed this 5th day of September, 2017

MEADOW LARK TRANSPORT, INC.

INDEPENDENT CONTRACTOR

Agreed By:   
Its: Onboarding Department  
Its: Owner Luther Henry Hill**Trailer Lease**

If you need a trailer contact:

**Mike Staser**

Safety Director

406-237-0893- Direct

[mstaser@meadowlarkco.com](mailto:mstaser@meadowlarkco.com)

Generous lease terms can be arranged under separate contract.

# DirectDepositAgreementForm

## Contact Information

ID:		
Name:		
Address:		
City:	State:	Zip:
Phone:	Cell:	
E-mail:		

## Authorization Agreement

I hereby authorize MEADOW LARK to initiate automatic deposits to my account at the financial institution named below. I also authorize MEADOW LARK to make withdrawals from this account in the event that a credit entry is made in error.

Further, I agree not to hold MEADOW LARK responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until MEADOW LARK receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit form to the Payroll Department.

Deposits can take up to two business days from the transmission date to reach your account.

## Account Information

Name of Financial Institution:	
Routing Number:	<input type="checkbox"/> Checking
Account Number:	<input type="checkbox"/> Savings

## Signature

Authorized Signature:	Date:
<i>*Must be able to make binding agreements for the company.</i>	

**Please attach a voided check and return this form to the Payroll Department.**

Electronic: attach a scan (jpeg, tif or pdf) and email to: mltpayables@meadowlarkco.com

FAX: (866) 500-4611

Mail: MEADOW LARK Transport, 2913 Millennium Circle, Billings, MT 59102

# Substitute W-9

**MEADOW LARK Transport**  
**2913 Millennium Circle**  
**Billings, MT 59102**  
**866-736-5233**

Under the internal revenue service code, section 6041 (a) a, we are required annually to send you (and the IRS) a 1099 form for reporting payments made to you (unless you are an exempt payee as listed on form W-9). It should be noted that if you fail to furnish us your correct name and TIN, we may be required to withhold and remit to the IRS 29% from all payments we make to you. If you are an individual/sole proprietorship please list company name and the name that is listed on your social security card.

Please check the type of business you have below:

Corporation

Partnership

Individual/Sole Proprietorship

Other

Federal Taxpayer Identification Number:225-06-5083

Social Security Number: 225-06-5083

Individual Name (Individual/Sole Proprietorship): Luther Henry Hill

Company Name:luther hill

Address: 428 henry harrison dr

City:birchleaf

State:va

Zip:24220

Phone:276-865-5547

User email:lutherhill1969@hotmail.com

Signature: 

Printed Name:

Title:owner

Date:09-05-2017