



TRAILER AND/OR TRACTOR LEASE/INTERCHANGE AGREEMENT

THIS AGREEMENT is entered into by and between Explore Logistics, LLC (“Carrier”) and

_____(“User”).

In consideration of the mutual undertakings of the parties hereto, as set forth herein, it is agreed that User may lease or interchange owned, leased, or controlled tractors and trailers (“Equipment”) subject to the following terms and conditions.

1. **Equipment.** The term Equipment as used herein shall refer to the tractors and trailers owned, leased, or controlled by Carrier.
2. **Points of Interchange.** The specific points of interchange shall be at the points mutually agreed upon between the parties. At the time of interchange or lease, an authorized representative of each party shall execute, in multiple copies, as the parties may require, an interchange or Lease Receipt and Inspection in the form and manner prescribed by Carrier.
3. **Use and Return.** User agrees that the Equipment will be utilized only for transportation to complete promptly and expeditiously the motor vehicle movement and return the Equipment to Carrier in the city and at the terminal where received, unless otherwise specified by Carrier. User shall be responsible for the safe and timely return of the Equipment to Carrier, ordinary wear and tear expected. User agrees not to interchange Equipment obtained from Carrier hereunder with third parties.
4. **User’s Responsibilities.** User shall accept responsibility for all owner operators and their leased power units as if they were User’s own employees and vehicles. Proper identification on tractors is mandatory and is an obligation of User. User shall have complete control and supervision of such Equipment and such Equipment shall be operated under its authority while in its possession, and Carrier shall have no right to control the detail of the work of any employee or agent operating or using said Equipment during such time. Any person operating, in possession of, or using said Equipment after parties hereto sign an inspection Report and until proper form is signed returning the Equipment to Carrier, is not the agent or employee of Carrier for any purpose whatsoever.
5. **Taxes.** User shall bear all the cost of all federal, state or municipal taxes, fines, fees or charges levied or imposed or arising out of the use of the Equipment while in its possession, until its proper return to Carrier.
6. **Indemnification.** User agrees to indemnify, defend, and hold Carrier harmless from and against any and all loss, damage, liability, cost or expense, including but not limited to Attorney’s fees, suffered or incurred in connection with injuries or death of any person, or loss of or damage to any property, arising out of user’s use, operation or maintenance of said Equipment until such Equipment has been returned to Carrier and receipt issued, therefore. The obligations assumed by User pursuant to this paragraph shall apply regardless of any contributing act or omissions, whether negligent or not, on Carrier’s part.
7. **Insurance.** Before commencing any work hereunder, User shall procure, and shall thereafter maintain in force during the period of the Agreement, all of its own insurance, with insurance companies satisfactory to Carrier, covering all of the work and services to be performed hereunder by User and each of its subcontractors:
 - a. User agrees to maintain for the duration of this Agreement, insurance coverage owned and hired automobile liability including bodily injury and property damage, with coverage of at least \$1,000,000.00 combined single limit or the equivalent.
 - b. User agrees to maintain for the duration of this Agreement, insurance coverage for physical damage insurance for loss or damage to Equipment while in the care, custody and/or control of the User. Such coverage may be written on an actual cash value basis per unit, but in no event less than \$60,000.00.
 - c. User agrees to maintain for the duration of this Agreement, insurance coverage for cargo loss insurance for loss and damage to lading contained in the Equipment while in the care, custody and/or control of the User. Such coverage shall be in the minimum amount of \$50,000.00
 - d. All certificates of insurance must provide Carrier a minimum of thirty (30) days’ notice of cancellation.
8. **Maintenance of Equipment.** Ordinary maintenance and other service adjustments on Equipment, tires included, occasioned by ordinary use will be:



- a.** Absorbed by the User when costs thereof do not exceed \$1000.00 for parts ONLY, exclusive of service charge.
- b.** Billed to and borne by Carrier in its entirety when costs thereof would exceed \$1000.00 PARTS ONLY, provided, however, that Carrier's authorization is obtained prior to commencement of repairs when the costs thereof is estimated to exceed \$1000.00. Carrier will not be responsible for any other consequential costs. Bills against Carrier for ordinary maintenance of Equipment shall be tendered within thirty (30) days from the date the repairs were completed, unless otherwise agreed upon.
9. **Tires.** Carrier shall furnish equipment with tires of proper size at the time of the lease and/or interchange. Thereafter, until the Equipment is returned to Carrier, repairs to tires shall be made by and at the expense of User. When an unserviceable tire or tube is replaced, it must be with a new virgin rubber tire, Recaps are not to be used. User shall return the blown-out or unserviceable tire to Carrier. User shall be responsible for replacement cost of a new tire for any tires on leased equipment returned with flat spots in which the tread variations are in excess of 3/32 inches between the average tread depth and a flat spot, Returned with tires containing uneven wear resulting in tread variance of more than 5/32 inches, returned with recapped tires, returned with tires that are cut to the cord or returned with tires that are not steel belted radial tires.
10. **Damage or Loss to Equipment.** The user shall be responsible for all damages and losses, occurring while in possession, to the Equipment of Carrier. In the event of total loss of Equipment, User shall pay to Carrier the commercial value of the trailer at the time it was leased or interchanged. In the event that Carrier performs the necessary Equipment repairs, User agrees to pay Carrier the actual cost plus 10% of said Equipment repairs. Payment will be processed through a debit memorandum invoice, which will reduce the Carrier's amount payable to User.
11. **Miscellaneous.** The laws of the State of Texas shall govern this Agreement in all of its aspects, including execution, interpretation, performance and enforcement. This Agreement together with all exhibits shall constitute the entire agreement between the parties, and no oral amendment or modification thereto shall be permitted.
12. **Terms and Terminations.** This Agreement is in effect from the date shown herein and shall be in effect until terminated by either party giving the other party ten (10) days of advance notice of termination, in writing addressed to the other party. Any Equipment in possession of the User on the date of termination must be returned to carrier within seventy-two (72) hours. If Equipment is not returned by User and it becomes necessary for Carrier to have the Equipment returned, User shall bear all expenses for return of Equipment.
13. **Confidentiality.** The parties have executed a Mutual Confidentiality and Non-Disclosure Agreement (the "Confidentiality Agreement"), the terms of which are hereby incorporated by reference and shall apply to the parties with respect to their performance hereunder.

IN WITNESS WHEREOF, this Trailer Lease and/or Interchange Agreement is executed between the parties as of the _____ day of _____, 20_____.

Explore Logistics, LLC ("CARRIER")

_____("USER")

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____



ADDENDUM

TRAILER AND/OR TRACTOR LEASE/INTERCHANGE AGREEMENT - Section 3

Explore Equipment (chassis/trailers) is to be directly returned by USER to CARRIER's terminal location specified by CARRIER (Explore personnel) immediately upon CARRIER's verbal or written notification. If Equipment is not returned to the specified location by USER within 24 hours of CARRIER's notification, USER agrees to pay CARRIER an Equipment retrieval fee, according to the Equipment retrieval fee rates listed below. If the USER abandons any Equipment that is signed-out to, assigned to, or interchanged with USER, USER agrees to pay CARRIER the Equipment retrieval fees for recovery of Equipment by CARRIER. In accordance with and in addition to sections 8, 9, & 10 of the TRAILER AND/OR TRACTOR LEASE/INTERCHANGE AGREEMENT, if actual damages to the recovered Equipment are incurred while in USER's possession, CARRIER will perform the necessary Equipment repairs and USER agrees to pay CARRIER the actual cost plus 10% of said Equipment repairs, in addition to the Equipment retrieval fee. If locking mechanisms are applied to abandoned Equipment that is signed-out to, assigned to, or interchanged with USER resulting in further recovery cost(s), CARRIER will retrieve Equipment and USER agrees to pay CARRIER for the said additional recovery cost(s) plus 10%, in addition to the Equipment retrieval fee and in addition to any cost plus 10% of repairing actual damages incurred to the Equipment. The payment of repair costs plus 10% and/or retrieval fees will be processed through a debit memorandum invoice, which will reduce the CARRIER's amount payable to USER. The Equipment retrieval rates listed below:

Equipment Retrieval Fee Rates:

0 to 50 one-way miles = \$500.00 minimum

51 to 75 one-way miles = \$750.00 minimum

76 to 100 one-way miles = \$1,000.00 minimum

>100 one-way miles = \$1,000.00 minimum plus \$5.00 per additional one-way mile after 100 miles

Explore Logistics, LLC ("CARRIER") _____ ("USER")

Signature: _____

Signature: _____

Printed Name: _____ Printed Name: _____

Date: _____

Date: _____

Equipment Interchange Receipt

This Equipment Interchange Receipt is issued pursuant to the terms of the Trailer Interchange Agreement (“Agreement”)

Date and Time of Transfer:			
Equipment Description: <i>Include Registration Tag or ID No.</i>			
Location of Interchange:			
Condition Inspection: <i>Indicate any damage</i> 1 = Scraped but not dented 2 = Small dents 3 = Badly dented 4 = Heavy localized damage 5 = Heavy overall damage	Front	Left	
	Back	Right	
Authorized Use:		Transportation of Carrier’s sand transport systems and related Equipment, subject to the terms and conditions of the Addendum and Agreement previously entered into by the Parties.	
Remarks:			
User, through its authorized representative, hereby accepts possession of Carrier’s Equipment, which has been inspected by User with any and all damage or issues indicated on the form above, and certifies that it is now operating the Equipment. Carrier, through its authorized representative, acknowledges the condition of the Equipment as indicated above and hereby authorizes the interchange of the Equipment to Carrier.			
Carrier (Lessor): Explore Logistics, LLC.		User (Lessee): User	
Signature:		Signature:	
Name:		Name:	
Title:		Title:	
Date:		Date:	