

TRAILER INTERCHANGE AND INDEMNITY AGREEMENT

This Trailer Interchange and Indemnity Agreement is entered into between Private Fleet Company, Located at Address, and _____, Inc. located at _____ and shall govern the terms and conditions of the use of trailer equipment belonging to one party by another.

WHEREAS, each party to this Agreement in the ordinary course of its business owns, operates and maintains tractor-trailer equipment suitable for transportation of cargo in intra- and interstate commerce; and

WHEREAS, the parties are engaged in transportation agreements which provide for the through movement of freight including pickup and delivery and spotting of trailer equipment under circumstances which require or permit one party to use the trailer of another to facilitate service; and

WHEREAS, the parties desire to permit such interchange and use of trailer by the other subject to the terms and conditions of this uniform Agreement;

NOW, THEREFORE, the Parties agree as follows:

As otherwise agreed in writing from time to time, one party may make permissive use of trailer equipment owned by the other with or without compensation under the following conditions.

1. The party owning the equipment warrants that equipment is regularly maintained and is free from any known defects by it.

2. Upon acceptance of any trailer, the receiving party shall prepare an equipment receipt/inspection report noting all damage, absence of damage and conditions of safety related items including, but not limited to, tires, brakes, air systems, sliding tandem hook pin. Such reports shall be prepared upon the acceptance of the trailer. Should the inspection reveal any safety related defects, the receiving party will notify the owner before use. Use of any trailer without notification or the preparation of an inspection report shall be deemed as acceptance without recourse. No warranty, express or implied, is made by the owner of the quality, design, or manufacture of the equipment. The owning party agrees to extend to the receiving party all warranties, if any, offered by the manufacturers of the equipment. The receiving party shall be responsible for all loss or damage to trailer while the trailer is in its possession and control, except to the extent such loss is caused by the act or omission of owner or its employees.

3. Receipt by any party of equipment belonging to the other without written notice shall constitute the receiving party's acknowledgment that the shipment is in good working order and free of reasonable defect.

4. While equipment is in its care, custody and control, any party receiving the equipment of another under this Agreement warrants as follows:

- (a) It will indemnify and hold the owner of the trailer equipment harmless from all risk of loss, claims, damage or cause of action arising out of its use including, but not limited to, any legal fee, the cost of defense or a judgment resulting from any claim of negligent entrustment or vicarious liability arising out of the receiving party's use, including the loading and unloading of the trailer while in the receiving party's possession.
- (b) The receiving party shall use the trailer only for the use contemplated by the authorizing agreement between the parties and shall return same at the completion of use to the location agreed to by the parties, free from defect, ordinary wear and tear excepted.
- (c) The receiving party shall bear all costs associated with any physical damage resulting from its use, and assume liability for any loss and/or damage to equipment (including shipments contained therein) while said equipment is stored on its premises or is being used by it or its designee to load, unload, transport cargo, or reposition equipment, unless such loss or damage is caused by the negligent acts or omissions of the owner.
- (d) The receiving party warrants that its auto liability coverage is properly endorsed to extend coverage to the owner of trailer equipment under a lease interchange endorsement.

5. Insurance. As financial surety for the indemnities and undertakings in 1 through 4 above, each warrants that it and/or its designee shall maintain the following insurance coverage which it warrants will inure to the owner of the trailer equipment's benefit:

- (a) Commercial General Liability Coverage in the amount of not less than \$1,000,000.
- (b) Auto Liability Coverage in the amount of not less than \$1,000,000 per occurrence.
- (c) Motor Truck Cargo Insurance in the amount of not less than the market value of shipment but not to exceed \$250,000 per truck load. .
- (d) Worker's Compensation Insurance in the amount required by applicable state law.
- (e) Physical Damage Insurance in an amount equal to or exceeding the value of the interchanged equipment or evidence of an

appropriate trailer interchange endorsement.

Each will be named a certificate holder as well as an additional insured on (a), *supra* and as a loss payee on (c) and (e) *supra*, on the other parties' policies.

6. Miscellaneous. This Agreement will become effective on the date written below and will continue from month-to-month thereafter, subject to termination by either party on 10 days prior written notice to the other. This Agreement shall not be modified except by written instrument signed by authorized representatives for affected parties. This Agreement shall be governed by and interpreted under the laws of the State of Tennessee. In the absence of written trailer interchange executed at time of the transfer of possession or other contemporaneous written notification, the receiving party of equipment accepts the equipment free from observable defect or damage.

Private Fleet Company, contact # - _____

"Other Party" Contact information: _____

Dated this _____ day of _____, 20 ____.

Private Fleet Company

Company: _____

By:

By:

Title:

Title: