

Welcome to Leavitt's Freight Service's NET LEASE OWNER/OPERATOR PROGRAM

From your initial sign-on through the passing of years it is our goal to have a straight forward, simple to understand Net Lease Owner-Operator package. As a trucking professional, you understand the demands of this business. Our goal is to provide you with the stability, respect, loads, support staff, and the expertise to insure your success.

How is our program structured? Simply stated, if you meet our requirements, we will hire you as an employee with full employee benefits and rent your equipment from you. This has proven to be the most effective method to provide you all of the benefits of employment (vacation, medical, work-comp coverage, retirement program, etc...), while you enjoy the pride of ownership by operating your own equipment.

Incorporated in 1958 we primarily serve the building, utility and steel industries of the Western U.S., B.C. and Alberta. We have earned a position as a primary carrier of wood poles and engineered wood products (laminated beams, trusses, I-beams, joists, etc.) out of the Northwest. We also transport other flatbed commodities such as steel products, building materials, machinery, etc.

What follows here is a brief overview of our philosophy and expectations. We've also included a section on "Frequently Asked Questions". Additional documents are also available which specifically address the following items:

- EQUIPMENT LEASE
- COMPENSATION DETAILS
- ESCROW FUND REQUIREMENTS
- TIE DOWN EQUIPMENT REQUIREMENTS
- VEHICLE INSPECTION REPORTS

- **Service Requirements:**

Our primary mission is to serve our customers. Our customers depend upon us for on-time pickup and deliveries of their complete order. As a Net Lease Owner-Operator we will expect professionalism, dependability and consistency in legally meeting our customer commitments. Our primary measure of the success of the relationship between you and our company will be the level of customer satisfaction in the service you provide.

- **Safety Requirements:**

Whether climbing in and out of your vehicle, on site at a customer's plant or job site, or driving down the highway, a safety conscious attitude is essential. Few activities pay the dividends that safe conduct will. Few activities also have such dire consequences as unsafe conduct. In order to be healthy, competitive and successful we require that you conduct all of your activities in a safe manner.

- **Paperwork requirements:**

We require that all required documents be turned into our office within 2 days following every delivery. This includes: load information sheets, freight bills, bills of lading, driver's logs, daily vehicle inspection reports (DVIR's), fuel receipts, etc...

- **Professional Image:**

Our customers and the public expect clean equipment and a professional, courteous businessperson when a Leavitt's truck is on the job. A reputation takes years to build but only moments to destroy. You are expected to conduct yourself in such a way as to strengthen the image and reputation of this company as well as the trucking industry.

Frequently asked Questions:

- **Where do you run and what do you haul?**

90% of our loads pick-up and deliver within the six western states. Our primary traffic lane is I-5 with California being our largest market, split fairly even between the Bay and LA. We haul poles and engineered wood products out of the Northwest and return with steel decking, steel coils and other building materials. Loads traveling east may become available from time to time.

- **How often will I get home?**

Average time out is about a week, depending upon where you're based and where your loads go.

- **Where can I be based?**

Any where along I-5 between Seattle and LA works well. This allows us to lane you through your home area most often. We will consider certain areas that are off of the I-5 corridor.

- **How often will I be paid?**

Settlement periods are every other Friday for the two-week period ending the previous Saturday. Your settlement will include compensation for all movements that were completed during that two-week period. You will receive two checks: one for equipment rent and one for wages.

- **Why a "Net-Lease"?**

You're professionalism and commitment to your career has lead you into truck ownership. Our Net Lease lets you keep your focus on maintaining your truck without having to be a tax accountant. We take care of all the truck related taxes and reporting as well as your payroll taxes.

In addition, you will enjoy the solid benefits of employment: paid vacations, health/dental/vision insurance, work-comp coverage, our 401k-retirement plan, to name a few. It's really the "Best of Both Worlds"!

- **What tractor & trailer setup works best?**

In order to be successful at Leavitt's **you will need to be able to haul 49,000 lbs. of 60' long material.** This will require that your "road ready", full of fuel lightweight not exceed 31,000 lbs. **Your trailer must be a spread axle.** To determine the best trailer length use this rule of thumb: If you can take 4 feet or more of front overhang, a 45' spread will work. If you're limited to less than 4 feet, you'll probably need a 48' spread axle trailer.

- **I don't own a trailer. Can I pull a company trailer?**

Certainly! You will be required to provide your own tarps, chains and binders and corner protectors. Our trailers come equipped with straps.

- **Who pays for my fuel?**

Leavitt's does! We have a designated network of fuel stops where you will be directed to fuel, including our bulk fuel facility at our terminal.

- **Who pays for my Prorate?**

Leavitt's does!

- **Who pays for Oregon PUC & IFTA Highway use/fuel taxes?**

Leavitt's does!

- **Whose pays for the lettering of my truck?**

Leavitt's does!

- **Who pays for DOT physicals and drug screens?**

Leavitt's does!

- **Who pays for customer required weight scale tickets?**

Leavitt's does!

- **Who pays for bridge tolls, toll road and ferry charges along company authorized routes?**

Leavitt's does!

- **Who pays for required permits for over-dimensional loads?**

Leavitt's does!

- **What expenses am I responsible for?**

You are only responsible for your equipment payments and maintenance.

- **How are the miles calculated that I am paid for?**

Your mileage compensation is based upon routes generated during dispatch by PC Miler. Routing is defined as "Practical" mileage, or "reasonable" routing. Many companies use shortest routing. We recognize that that method is often unfair to the owner-operator. Occasionally, however, the "reasonable" mileage for a trip may be slightly longer or shorter than the "practical" route calculated by PC Miler. This routing is the basis that we use in determining our freight charges to our customers.

Your compensated routing will be understandable. You are always encouraged to inquire prior to making the move as to the routing. Exceptions to the compensated route will normally not be made due to weather conditions, road conditions, etc.

- **How are Out-of-Route miles handled?**

How your compensated miles are determined was explained above. If you need to travel Out-of-Route those miles will be deducting from the rent and wages portion of your settlement. In addition, 40cents per out-of-route mile will be charged to cover fuel and highway taxes.

- **Am I allowed to take a passenger?**

Yes! Leavitt's has an established passenger policy that allows you to take one immediate family member, over 8 yrs of age, with you. Prior authorization and a signed passenger authorization form is required before taking a passenger.

- **What Mobile Communication system does Leavitt's use?**

Leavitt's uses the G2X Intouch System by PeopleNet. This system provides two-way data communication allowing us to send your preplan information to you. It also allows you to update your picks and drops and send in your log hours. **In addition, we provide you with free in-cab email to use with family and friends!**

This is a mandatory system. All owner-operator trucks, as well as company trucks are required to utilize it.

- **What is Leavitt's policy on logbooks?**

CFR 395 of the Federal regulations explains logbook requirements. Leavitt's Freight Service will not tolerate logbook violations such as hours of service infractions. A log-auditing program is in place and your logs will be audited, as we are required by law to do, to ensure compliance.

- **Can I purchase maintenance service from Leavitt's at below market rates?**

Leavitt's Freight Service operates an outstanding maintenance facility at our terminal in Springfield, Ore. For your convenience, most preventive maintenance and repair procedures can be performed for you at our shop. It is our desire to provide you with a competitive edge through quality maintenance at extremely competitive prices. For a detailed discussion of maintenance procedures and costs please contact our Fleet Maintenance Manager.

At sign on, an initial inspection of your equipment will be performed at our maintenance facility. This inspection, required by Federal law, will ensure that we are only allowing safe equipment to be placed into service under our authority. **The sign-on inspection is performed without cost to you.** If defects are found you will be required to have them fixed before a contract can be signed.

Expenses associated with on-road maintenance and repairs (outside of the Eugene area), are the responsibility of the Net-Lease Owner-Operator. Provisions are not available to charge repairs back through the company. We will, however, assist you by providing directions to repair facilities, as you may need them.

Repairs at local (Eugene area) vendors may be charged through the company **with prior authorization.** The charge for these repairs will be deducted from the settlement period during which the expense occurred.

- **Can I purchase my tires through Leavitt's?**

Due to Leavitt's size and buying power we are able to purchase many parts and supplies, including tires, at prices better than you may be able to obtain on your own. We are more than willing to contribute to your success by passing these savings onto you. Simply contact our Fleet Maintenance Manager to request a price quote on the tires of your choice.

<p>It is our commitment to accomplish the following goals through our Net-Lease Owner-Operator Program:</p>
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- Provide a PREMIUM SERVICE to our customers.
- Provide you with the best Owner-Operator Program available.
- Provide you with the loads, support, expertise and integrity to ensure your personal and business success.
- Increase the size of our fleet to service our growing customers.
- **Strengthen the reputation of Leavitt's Freight Service as the standard by which other carriers are measured.**

Are you up to the challenge?

Are you willing to give your best while expecting the best from us?

We look forward to reviewing your application if this program sounds like the home you have been looking for. Please contact us if you have any questions – we're here to assist you!

Terry Leavitt - President

Duane Leavitt – Sr. VP

Ron Riddle – VP