**TANKER TRAILER LEASE**

**THIS TANKER TRAILER LEASE** (“Agreement”) is made by and between **WILLDA BEAST, LLC,** a Texas limited liability company (“Lessor”), whose address is 15823 FM 244, Iola, TX 77861, and\_\_\_\_\_\_\_\_\_\_**,** a Texas limited liability company (“Lessee”), whose address is\_\_\_\_\_\_\_\_. Lessor leases to Lessee the personal property described in this Agreement and its attachments and schedules on the terms and conditions set forth herein.

ARTICLE 1

DESCRIPTION OF LEASED PROPERTY

The TANKER TRAILER leased by the Lease is any WB owned tanker trailer (the “TANKER TRAILER”).

ARTICLE 2

TERM OF LEASE

2.01. **Initial Term**. The initial term of this Lease is 2 months commencing on \_\_\_\_\_\_\_\_\_\_.

2.02. **Effect of Holding Over**. If Lessee retains possession of the TANKER TRAILER after the expiration of the Lease term, this retention of the TANKER TRAILER will be deemed to constitute a further lease of the TANKER TRAILER for a period of month to month at the rental of $500 per day. In the event of such a holdover, all other provisions and conditions of this Lease continue unchanged.

ARTICLE 3

PAYMENTS BY LESSEE

3.01. **Rental Payments**. The amount of monthly rental payments shall be $ . Rental payments shall be made at Lessor's address, as set forth above, or at any other place that may be designated by Lessor or its assignees. All rental payments are due and payable in advance on the first day of each month during the term of this Lease. Any rental payment not made by Lessee within ten (10) days of its due date are subject to a late charge of ten percent (10%) of the amount not paid when due.

3.02. **Security Deposit**. As security for the prompt and full payment of rent and the complete and timely performance of all provisions of this Lease, Lessee will deposit with Lessor $\_\_\_\_\_ as the Security Deposit. If Lessee defaults in the performance of any covenant in this Lease, Lessor has the right, but is not obligated, to apply the Security Deposit in order to cure the default. The application of the Security Deposit by Lessor shall not be a defense to any action by Lessor arising out of the default. On the expiration or earlier termination of this Lease, provided Lessee has paid all of the required rent and fully performed all of the other provisions of this Lease, Lessor will return to Lessee any remaining balance of the Security Deposit.

ARTICLE 4

USE OF PROPERTY

4.01. **Rights of Lessee**. Lessee is entitled to the use, operation, possession, and control of the TANKER TRAILER during the Lease term, provided Lessee is not in default of any provision of the Lease, and subject to any security interest Lessor may have given or may give to any third party during the Lease term. Lessee shall employ and have absolute control, supervision, and responsibility over any operators or users of the TANKER TRAILER.

4.02. **Duties of Lessee**.

1. Lessee must use the TANKER TRAILER in a careful and proper manner. Lessee agrees that the TANKER TRAILER will be used in accordance with any applicable vendor's or manufacturer's manuals or instructions, by competent and fully qualified personnel only. Lessee agrees to reimburse Lessor in full for all damage to the TANKER TRAILER arising from any misuse or negligent act by Lessee, its employees, or its agents.

(b) Lessee shall not permit the TANKER TRAILER to be operated or used in violation of any applicable federal, state, or local statute, law, ordinance, rule, or regulation relating to the possession, use, or maintenance of the TANKER TRAILER. Lessee will indemnify and hold Lessor harmless from all liabilities, fines, forfeitures, or penalties for violations of any statute, law, ordinance, rule, or regulation of any duly constituted public authority.

4.03. **Commercial Use Limitation**. Lessee represents and warrants that the TANKER TRAILER will be used for commercial or business purposes only.

ARTICLE 5

MAINTENANCE, REPAIRS, AND ALTERATIONS PERFORMED BY LESSEE

5.01. **Maintenance and Repairs**. Lessee assumes all obligation and liability concerning possession of the TANKER TRAILER, and for its use, operation, condition, and storage during the lease term. Lessee shall, at Lessee's expense, maintain the TANKER TRAILER in good mechanical condition and running order, excepting reasonable wear and tear resulting from the ordinary use of the TANKER TRAILER. Lessee shall, at Lessee's expense, provide all parts, mechanisms, and devices required to keep the TANKER TRAILER in good repair, condition, and running order. Lessor has no liability or obligation of any kind to provide service, maintenance, repairs, or parts for the TANKER TRAILER.

5.02. **Alterations**. Lessee shall not make any alterations, additions, or improvements to the TANKER TRAILER (other than those required to keep the TANKER TRAILER in good condition and running order as described in Paragraph 5.01) without the prior written consent of Lessor.

5.03. **Accessions**. All installations, additions, replacements, and substitutions of parts or accessories with respect to any of the TANKER TRAILER under this Lease constitute accessions. All accessions become part of the TANKER TRAILER, are thus owned by Lessor and are subject to the terms of this Lease.

ARTICLE 6

OPERATING EXPENSES

Lessee agrees to pay for all expenses of operating the TANKER TRAILER, including but not limited to fuel bills, license fees, registration fees, and all other charges in connection with the operation of the TANKER TRAILER.

ARTICLE 7

TAXES AND OTHER CHARGES

7.01. **Lessee's Obligation To Pay Taxes**. Lessee is liable for and required to pay, on or before their due dates, all sales taxes, use taxes, personal property taxes, and any other direct taxes or governmental charges imposed on the TANKER TRAILER or based on the amount of rent paid under this Lease or assessed in connection with this Lease. The term “direct taxes'' includes all taxes, except income taxes and franchise taxes of Lessor, imposed by any federal, state, county, municipal, or other governmental authority. Lessee shall promptly notify Lessor and send Lessor copies of any notices, reports, and inquiries received by Lessee from taxing authorities concerning taxes, fees, charges, or other assessments received by Lessee.

7.02. **Lessee's Obligation for Other Charges**. Lessee shall be liable for any fees for licenses, registrations, permits, certificates of title, and other certificates as may be required for the lawful operation of the TANKER TRAILER. All certificates of title shall initially be applied for in the State of Texas in the name of Lessor, as owner, and Lessee shall deliver them to Lessor.

7.03. **Taxes Required To Be Paid by Lessor**. If any taxing authority requires that a tax or charge, as set forth in Paragraphs 7.01 and 7.02, be paid to the taxing authority directly by Lessor, Lessee shall, on notice from Lessor, pay to Lessor the amount of the tax or charge, together with the next rent installment.

7.04. **Contested Taxes**. Lessee shall have the right, at Lessee's own expense, to contest the validity or amount of any tax or charge referred to in Paragraphs 7.01 and 7.02, if Lessee does so by legal proceedings promptly instituted and diligently conducted. Lessee shall pay the tax or charge in question before initiating any proceedings. If taxes or charges are reduced or cancelled, Lessee will be entitled to the refund of any amount previously paid by Lessee, unless Lessee is in default under the Lease.

ARTICLE 8

LESSOR'S RIGHT OF INSPECTION AND REPAIR

8.01. **Inspections**. Lessor has the right to enter the premises where the TANKER TRAILER is located or operated for the purpose of inspecting the TANKER TRAILER in order to ascertain its condition and manner of use. Such an inspection may be made by Lessor at its discretion, but only during Lessee's regular business hours.

8.02. **Repair Remedy**. If Lessor's inspection of the TANKER TRAILER, as described in Paragraph 8.01, reveals that the TANKER TRAILER covered by this Lease is not being properly maintained or utilized according to the provisions of this Lease, Lessor has the right, but not the obligation, to have the TANKER TRAILER repaired or maintained at the expense of Lessee.

ARTICLE 9

OWNERSHIP

9.01. **No Sale or Security Interest Intended**. This Agreement constitutes a lease of the TANKER TRAILER and is not a sale or the creation of a security interest in the TANKER TRAILER. Lessor at all times retains sole ownership and title to the TANKER TRAILER, and Lessee does not have and will not, at any time, acquire any right, title, equity, or other interest in the TANKER TRAILER, except the right to possession and use as provided for in this Agreement.

ARTICLE 10

INDEMNIFICATION AND LIABILITY

10.01. **Risk of Loss and Liability Assumed by Lessee**. Lessee assumes all risk and liability for the loss of or damage to the TANKER TRAILER, for the death of or injury to any person or property of another, and for all other risks and liabilities arising from the use, operation, condition, possession, or storage of the TANKER TRAILER. Nothing in this Lease authorizes Lessee or any other person to operate the TANKER TRAILER so as to impose any liability or other obligation on Lessor.

10.02. **Lessee's Duty to Indemnify**. Lessee agrees to indemnify, defend, and hold harmless Lessor, its agents, and employees from all claims, loss, or damage Lessor may sustain for any of the following reasons:

(a) Loss of, or damage to, the TANKER TRAILER by any cause.

(b) Injury to, or death of, any person, including but not limited to agents or employees of Lessee.

(c) Damage to any property arising from the use, possession, selection, delivery, return, condition, or operation of the TANKER TRAILER.

10.03. **Liability for Fines and Penalties**. Lessee has sole liability for, and must reimburse Lessor for, all expenses, losses, liabilities, fines, penalties, and claims of every type, including reasonable attorney's fees, imposed by any governmental or regulatory agency or entity by virtue of Lessee's use or operation of the TANKER TRAILER, or because of the failure by Lessee to perform any of the Lease terms. Lessee will also pay interest ten percent (10%) from the day any such payment is made by Lessor until the date Lessor is reimbursed by Lessee.

10.04. **Payment of Stipulated Loss Value**. If the TANKER TRAILER becomes lost, stolen, destroyed, or damaged beyond repair, Lessee shall pay Lessor in cash $\_\_\_\_\_\_\_\_\_ the Stipulated Loss Value. This Lease will terminate at the time of such payment with respect to the TANKER TRAILER for which payment is made. After paying the stipulated loss value, Lessee is entitled to the TANKER TRAILER on an as-is basis, without warranty by Lessor, express or implied, for any matter concerning the TANKER TRAILER.

10.05. **Obligations Survive Lease Term**. The indemnities, assumptions of risk, liabilities, and obligations of Lessee arising under this Lease will continue in effect after the termination of the Lease, regardless of the reason for termination.

The indemnities, assumptions of risk, liabilities, and obligations of Lessee arising under this Lease may be excused only to the extent that they are covered by the insurance policies described in Article 12 of this Lease. Any payment received by Lessor from an insurance carrier shall be set off against the obligations described in this Article 10.

ARTICLE 11

INCIDENTAL DUTIES IN CASE OF ACCIDENT,

LOSS OF, OR DAMAGE TO PROPERTY

11.01. **Notification to Lessor**. If the TANKER TRAILER is damaged, lost, stolen, or destroyed as a result of its operation, use, maintenance, or possession, Lessee shall promptly notify Lessor of the occurrence and shall file all necessary accident reports, including those required by law and those required by interested insurance companies.

11.02. **Cooperation in Defense of Claims**. Lessee and its employees and agents must cooperate fully with Lessor and all insurers providing insurance under this Lease in the investigation and defense of all claims or suits. Lessee must promptly deliver to Lessor all papers, notices, and documents served on, or delivered to Lessee or its employees and agents in connection with any claim, suit, action, or proceeding at law or in equity commenced or threatened against Lessee or Lessor concerning the TANKER TRAILER.

ARTICLE 12

INSURANCE

12.01. **Lessor's Obligation To Maintain Casualty Insurance.** Lessor agrees to maintain insurance in full force and effect against loss, theft, damage, or destruction of the TANKER TRAILER. This insurance is at Lessor's sole cost and expense.

Lessee further agrees to indemnify and hold harmless Lessor, its agents, and employees from and against loss, liability, and expense, including reasonable attorney's fees, because of Lessee's failure to comply with any terms, provisions, and conditions of any insurance policy insuring Lessor and Lessee, or because of Lessee's failure to comply with the terms and provisions of this Article.

12.02 \*\*\*\*\*\*\*\*\*Trailer Interchange Insurance requirement- a type of coverage available under either the truckers or the motor carrier policy form that covers the insured's legal liability for damage to the trailers of others. Coverage is also available, by endorsement, under the business auto policy (BAP). Motor carriers frequently haul trailers that are owned by other motor carriers. This is often done through a "trade" of trailers that are in different locations to facilitate scheduling. A trailer interchange agreement makes the motor carrier that has possession of the trailer responsible for any damage to the trailer, whether or not the trailer is attached to the tractor. EMAIL Interchange Insurance to Michelle@willda-beast.com

ARTICLE 13

ASSIGNMENT

13.01. **Assignment by Lessor.** Lessor may assign this Lease or any rights under it at any time without Lessee's consent. If Lessor does make an assignment, Lessor's assignee shall have all of the rights, powers, privileges, and remedies of Lessor set forth in this Lease. Lessee shall be obligated to any assignee of Lessor only after written notice of the assignment is mailed to Lessee, either by Lessor or Lessor's assignee, by first class mail at Lessee's address listed in this Lease.

13.02. **Assignment or Subletting by Lessee.** Lessee may not assign this Lease or the TANKER TRAILER described in it, or assign any interest in the Lease or the TANKER TRAILER, or sublet the TANKER TRAILER.

13.03. **Waiver of Defenses.** Any assignment of rights under this Lease by Lessee constitutes a waiver by Lessee of any and all claims or defenses of any kind arising out of this Lease that Lessee may have against Lessor at the time of assignment. Any assignee of Lessee is bound by the waiver of Lessee and is barred from asserting any claim or defense so waived by Lessee.

13.04. **Assumption and Retention of Liabilities.** Any assignee of Lessee assumes any and all obligations under this Lease of Lessee to Lessor, regardless of whether any obligation arose before or after the assignment. The assumption of liability by Lessee's assignee under this provision does not excuse Lessee from any obligation under this Lease, regardless of whether the obligation in question arose before or after the assignment.

ARTICLE 14

CIRCUMSTANCES CONSTITUTING DEFAULT BY LESSEE

Lessor may, at its option, declare Lessee in default by giving Lessee written notice of default on the occurrence of any of the following events:

(a) Failure by Lessee to make rental payments or perform any other of its obligations as set forth in this Lease.

(b) Expiration or cancellation of any insurance policy to be paid for by Lessee as provided for in Article 13 of this Lease.

(c) Involuntary transfer of Lessee's interest in this Lease by operation of law.

(d) Lessee's assignment of any interest in this Lease that is not authorized by Article 14.

(e) Institution by or against Lessee of any proceedings in bankruptcy or insolvency, or the reorganization of Lessee under any law, or the appointment of a receiver or trustee for the goods and chattels of Lessee, or any assignment by Lessee for the benefit of creditors.

ARTICLE 15

RIGHTS, REMEDIES, AND OBLIGATIONS ON DEFAULT

15.01. **Lessor's Rights and Remedies.**  If the Lessee defaults, and if a notice of default is given as specified in Article 14 and the default remains uncorrected for five (5) days, Lessor may exercise any one or more of the following remedies:

(a) Termination of the Lease and Lessee's rights under this Lease;

1. A declaration that all due but unpaid rent and all other charges due under the Lease are due and payable immediately, and that Lessor is entitled to this balance together with interest at the rate of one (1) percent per month from the date of notification of default to the date of payment; or

(c) Repossession of the TANKER TRAILER without legal process, free of all rights of Lessee in and to the TANKER TRAILER. By this provision, Lessee expressly authorizes Lessor or Lessor's agent to enter any premises owned or controlled by Lessee, or Lessee's agents and assigns, where the TANKER TRAILER is located for the purpose of repossessing and removing the TANKER TRAILER. Lessee specifically waives any right of action Lessee might otherwise have arising out of the entry and repossession, and releases Lessor from any claim for trespass or damage caused by reason of the entry, repossession, or removal. Any repossession of one particular item under this Lease with respect to which Lessee is in default does not constitute a termination of this Lease as to any other items of equipment, unless Lessor expressly so notifies Lessee in writing.

15.02. **Lessee's Obligation for Lessor's Costs and Attorney's Fees.** If Lessee defaults, Lessee shall reimburse Lessor for all reasonable expenses of repossession and enforcement of Lessor's rights and remedies, together with interest at the rate of one (1) percent per month until the date of payment. Notwithstanding any other provisions of this Lease, if Lessor places all or any part of Lessor's claim against Lessee in the hands of an attorney for collection, Lessee shall pay Lessor's reasonable attorney's fees.

15.03. **Remedies Cumulative.**  The remedies of Lessor set forth in this Article are cumulative to the extent permitted by law and may be exercised partially, concurrently, or separately. The exercise of one remedy does not preclude the exercise of any other remedy.

15.04. **Failure To Enforce Not Waiver.** Any failure or delay on the part of Lessor to exercise any remedy or right under this Lease is not a waiver. The failure of Lessor to require performance of any of the terms, covenants, or provisions of this Lease by Lessee will never constitute a waiver of any of the rights under the Lease. No single or partial exercise by Lessor of any remedy or right precludes any other or further exercise of that remedy or right or the exercise of any other rights or remedies. No forbearance by Lessor to exercise any rights or privileges under this Lease is a waiver, but all rights and privileges continue in effect as if no forbearance occurred. Acceptance by Lessor of rent or other payments made by Lessee after default is not a waiver of Lessor's rights and remedies arising from Lessee's default.

15.05. **Forfeiture of Lessee's Interest on Default.** If Lessee defaults for any reason and this Lease is terminated and the TANKER TRAILER repossessed, Lessee and Lessee's successors in interest shall have no right, title, or interest in the TANKER TRAILER, its possession, or its use. Lessor shall retain all rents and other payments of any kind made by Lessee under this Lease.

ARTICLE 16

SALE OR ENCUMBRANCE

16.01. **Sale or Disposal Prohibited.** Lessee may not part with possession or control of the TANKER TRAILER. Nor may Lessee sell, mortgage, or attempt to sell or mortgage any of the TANKER TRAILER. Lessee may not otherwise dispose or attempt to dispose of any TANKER TRAILER or any interest under this Lease except as permitted by Article 14 of this Lease. On the occurrence of any of these events, Lessee will be in default.

16.02. **Encumbrance Prohibited.** Lessee may not pledge, encumber, create a security interest in, or permit any lien to become effective on any TANKER TRAILER. On the occurrence of any of these events, Lessee will be in default.

Lessee must promptly notify Lessor of any liens, charges, or other encumbrances of which Lessee has knowledge. Lessee must promptly pay or satisfy any obligation from which any lien or encumbrance arises. Lessee must deliver to Lessor appropriate satisfactions, waivers, or evidence of payment of any lien or encumbrance.

ARTICLE 17

RETURN OF PROPERTY ON EXPIRATION OF LEASE

17.01. **Lessee's Duty to Return.** On the expiration of the lease term, or on any earlier termination of this Lease, Lessee must return any item or all of the TANKER TRAILER to Lessor in good repair, condition, and working order, less normal wear, tear, and depreciation. All property required to be surrendered must be returned in the following manner, as may be specified by Lessor:

1. By delivering the TANKER TRAILER, at Lessee's cost and expense, to such place as Lessor will specify within the city or county in which it was delivered to Lessee or to which it was moved with the written consent of Lessor.

(b) By loading the TANKER TRAILER, at Lessee's cost and expense, on board a carrier Lessor designates and shipping the TANKER TRAILER, freight collect, to the destination designated by Lessor.

17.02. **Right of Lessor to Repossess.** If Lessee fails or refuses to return the TANKER TRAILER to Lessor at the expiration of the lease term or at some earlier termination of this Lease, Lessor has the right to take possession of the TANKER TRAILER without legal process, free of all rights of Lessee in and to the TANKER TRAILER. By this provision, Lessee expressly authorizes Lessor or Lessor's agent to enter any premises owned or controlled by Lessee, or Lessee's agents and assigns, where the TANKER TRAILER is located for the purpose of repossessing and removing TANKER TRAILER. Lessee specifically waives any right of action Lessee might otherwise have arising out of the entry and repossession, and releases Lessor from any claim for trespass or damage caused by reason of the entry, repossession, or removal.

ARTICLE 18

GENERAL PROVISIONS

18.01. **Notices.** All notices required to be given under this Lease must be in writing. Notices under this Lease will be deemed duly served and given when either (a) personally delivered to the party or the designated agent of the party to whom they are directed; or (b) deposited in the United States mail, first class postage prepaid, addressed to the party at the address given for the party in this Lease.

18.02.**Change of Address.** Either party may change its address for the purpose of this Lease by giving written notice of the changed address in the manner specified in Paragraph 18.01.

18.03. **Amendment, Modification, and Waiver.** This Lease may not be amended, modified, or altered in any manner except in a writing signed by all parties. No covenant or condition of this Lease may be waived except by the written consent of Lessor. Any such written waiver of any term of this Lease is effective only in the specific instance and for the specific purpose given.

18.04. **Additional Property Added to Lease.** Additional property may, from time to time, be added as the subject matter of this Lease as agreed by the parties.

18.05. **Entire Agreement.** This Lease constitute the entire agreement between the parties. No agreements, representations, or warranties other than those specifically set forth in this Lease are binding on any of the parties.

18.06. **Choice of Law.** This Lease has been executed and delivered in the State of Texas and shall be interpreted under and construed in accordance with the law of Texas. It is agreed that Texas law will control the validity of and the obligations created by this Lease.

18.07. **Severability.** If one or more of the provisions of this Lease, or the application of any provision to any party or circumstance, is held invalid, unenforceable, or illegal in any respect, the remainder of this Lease and the application of the provision to the other parties or circumstances remain valid and in full force and effect.

18.08. **Heirs and Successors.** This Lease and each of its provisions is binding on and inures to the benefit of the respective heirs, assignees, executors, administrators, trustees, and successors of the parties. Nothing in this paragraph may be construed as a consent by Lessor to any assignment by Lessee of any interest this Lease except as provided in Article 13 of this Lease.

18.09. **Time of Essence.** Time is of the essence in this Lease and in each provision contained in it. Each provision of this Lease is agreed by the parties to be a material, necessary, and essential part of this Lease.

Dated: \_\_\_

LESSOR:

**WILLDA BEAST , LLC,**

a Texas limited liability company

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

**WILLIAM E. WREN**, VP

LESSEE:

a Texas limited liability company

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