

ORIGINAL: File with California
Public Utilities Commission,
San Francisco, California
DUPLICATE: To be retained by
Principal (trucking company)
TRIPPLICATE: For surety company
QUADRUPPLICATE: For surety company

STATE OF CALIFORNIA
PUBLIC UTILITIES COMMISSION

File T-_____

SURETY COMPANY BOND

To Secure Payment of the Claims of Subhaulers, Sub-Subhaulers and Lessor-Employees Under the Public Utilities Code, Sections 3575 and 1074, and General Order Series 102 of the Public Utilities Commission of the State of California.

Bond No. _____

Know all men by these presents:

THAT WE, THE UNDERSIGNED _____, whose address is _____, as Principal, and _____, a corporation authorized to transact a general surety business in the State of California, whose address is _____, as Surety, are held and firmly bound unto the State of California in the penal sum of \$15,000 to be paid to the people of the State of California for the benefit of any person, firm or corporation for services rendered as a subhauler for, sub-subhauler for, or for the benefit of a lessor-employee who leases equipment to, the Principal, for which payment well and truly to be made we bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The condition of this bond is such that:

WHEREAS, the Principal is or intends to become a carrier of property by motor vehicle for hire as a highway carrier, which means any certificated carrier transporting property for compensation over any public highway in this State under Public Utilities Code Sections 1061-1074 and any permitted carrier transporting property for compensation over any public highway in this State either under PU Code Sections 3501-3809, or as a household goods carrier under PU Code Sections 5101-5319, and engages or intends to engage subhaulers, sub-subhaulers, or lease equipment from lessor-employees; and

WHEREAS, PU Code Sections 3575 and 1074 require the filing of a bond in such circumstances, the amount of which has been determined by the Commission in its General Order Series 102 to secure the payment of the claims of subhaulers, sub-subhaulers, and lessor-employees of such highway carrier; and

WHEREAS, the term Principal includes a carrier as defined in General Order Series 102, as one who leases equipment from a lessor-employee, or one who is a prime or overlying carrier, as these are defined in General Order Series 102, or one who is a subhauler who engages another carrier to perform all or part of the services which such subhauler has agreed to render for a prime carrier. Such an engaged carrier is designated as a sub-subhauler; and as to it, the original subhauler is a prime carrier; and

WHEREAS, the term subhauler includes any carrier who renders service for a prime or overlying carrier, for a specified recompense, for a specified result, under the control of the prime or overlying carrier as to the result of the work only and not as to the means by which such result is accomplished; and this term includes sub-subhaulers in appropriate cases; and

WHEREAS, the term Lessor-Employee includes every employee of the Principal who owns, controls or is entitled to the possession of any vehicle or vehicles as described in PU Code Section 3510 and transfers to the Principal, under any contract or arrangement, other than a bona fide sale, conditional sales contract, chattel mortgage, or a statutory lien, the right to possession and control of said vehicle or vehicles.

NOW, THEREFORE, if the Principal shall pay the claims of subhaulers, sub-subhaulers or lessor-employees of the Principal, then this obligation shall be void; otherwise, it shall remain in full force and effect, subject to the following conditions:

- (1) Any claim of a person or persons to whom an amount may be due either as transportation charges for any shipment subhauled, sub-subhauled or as the rental of any equipment leased from a lessor-employee, and not paid within the time limits specified in General Order Series 102, must be filed with the Surety within the time limits specified therein for such filings. Upon the filing of the claim, the Surety shall notify the carrier and the Public Utilities Commission of the State of California at its office in San Francisco in writing of the filing of said claim. Suit against the Surety premised upon said claim shall be commenced within one year after the filing of the said claim.
- (2) General Order Series 102 requires that every agreement for subhauling, sub-subhauling and for leasing of motor vehicles from a lessor-employee entered into by a highway carrier shall be in writing and signed by the parties prior to, or within five days after, the commencement of any subhaul service, sub-subhaul service, or such lease of equipment and that such writing shall contain all of the terms of such agreement and shall specify all charges payable thereunder for subhaul service, sub-subhaul service, or lease of equipment. Failure of the prime carrier or lessee-carrier to provide an agreement as specified herein shall constitute a violation of said general order, but shall not be cause for rejection or denial of any claim by the surety.
- (3) The Surety's obligation under this bond shall not be discharged by any payment or succession of payments on claims hereunder unless and until such payment or payments shall amount in the aggregate to the penalty of this bond; provided, however, that the aggregate liability of the Surety for all such claims shall, in no event, exceed the sum of \$15,000.
- (4) Surety hereby expressly waives its rights under Section 2845 of the Civil Code of the State of California.

This bond, effective from the _____ day of _____, _____ M., Pacific Standard Time, at the address of the Principal, as stated herein, shall be continuous and remain in full force and effect until canceled as hereinafter provided.

The Surety may cancel this bond, only by written notice to the Public Utilities Commission of the State of California at its office in San Francisco, California, such cancellation only to become effective thirty (30) days after receipt of said notice by the Commission.

The Surety shall not be obligated hereunder for the payment of any sums for which the Principal becomes liable in connection with subhauling, sub-subhauling, or leasing occurring after the cancellation of this bond, but such cancellation shall not affect the obligation of the Surety herein respecting subhauling, sub-subhauling or leasing occurring during the time the bond is in effect.

The obligation of this bond is assumed by the Surety and is in consideration of a premium paid to the Surety in the sum of _____

IN WITNESS WHEREOF, the above Principal and Surety have executed this agreement this _____ day of _____,

AFFIX
CORPORATE SEAL

Principal

By _____

AFFIX
CORPORATE SEAL

Surety

By _____

Attorney in Fact

ACKNOWLEDGMENT OF SURETY

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, in the year _____, before me, _____, personally appeared _____, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the within instrument as the attorney in fact of _____ and acknowledged to me that he subscribed the name of _____ thereto as Surety, and his own name as attorney in fact.

(SEAL)