



## ***STAFFING AGREEMENT***

This Agreement is made and entered into on the 18th day of November, 2013, by and between Corporate Management Group, Inc., with its principal place of business located at 12000 N. Washington Street, Suite 290, Thornton, Colorado 80241 (hereinafter referred to as "CMG") and Federal Energy Corp. (hereinafter referred to as "Client").

1. **Job Description.** CMG agrees to assign its employees to Client in order to perform the work assigned.
2. In addition to providing assigned employees to perform the work assigned, CMG agrees select and hire applicants who, in CMG's judgment, are best qualified to perform the type of work required. As the employer, CMG will:
  - a) maintain all necessary personnel and payroll records for its employees assigned to Client;
  - b) compute their wages and withhold applicable Federal, State, and local taxes and Federal Social Security payments;
  - c) remit assigned employee withholdings to the proper governmental authorities and make employer contributions for Federal FICA, and Federal and State unemployment insurance payments;
  - d) pay net wages and fringe benefits, if any, directly to its assigned employees;
  - e) provide for Workers' Compensation and liability insurance coverage in the amounts as hereinafter set forth; and
  - f) at the request of Client, for any valid reason, remove any of its assigned employees assigned to Client, provided that this arrangement shall in no way affect the right of CMG, in its sole discretion as employer, to hire, reassign, and/or terminate its own employees.
3. **Client Obligations and Responsibilities:**
  - a) Client agrees to provide CMG assigned employees with a safe, suitable place of work that shall comply with all applicable Federal, State, and local health and safety laws.
  - b) Client shall provide training, appropriate information, and any necessary safety equipment to CMG's assigned employees. Client shall furnish CMG with copies of the company's safety rules and regulations.
  - c) CMG and CMG's worker's compensation carrier shall have the right to inspect Client's premises during normal business hours and to make recommendations pertaining to job safety. It is agreed that CMG, by inspecting such premises or by not inspecting such premises, assumes neither liability nor responsibility for any unsafe working condition that may exist.
  - d) Client agrees not to change the CMG assigned employee's job duties without express prior written approval from CMG.

- e) Client agrees to verify hours worked (evidence of time worked) presented by CMG assigned employees in order to record the compensable working time of the CMG assigned employees, and to designate a member of its staff who will be authorized to approve hours worked on behalf of Client.
  - f) Client agrees not to entrust CMG assigned employees with cash, checks, credit cards, merchandise or facility keys.
  - g) Client agrees to provide a suitable workstation for CMG's On-Site personnel. Client shall provide On-Site personnel with access to all necessary office equipment.
  - h) During the term of this agreement and for a six month period following its termination for any reason, Client shall not hire CMG's On-Site Manager(s), Recruiter(s) or Coordinator(s). If Client wishes to do so, Client shall pay CMG an amount equal to one year's salary of the On-Site Manager/Coordinator.
4. Compensation. In consideration of CMG's performance hereunder, Client agrees to pay CMG at the hourly bill rate(s) agreed upon by both parties (Exhibit A). The verified hours provided by Client will be conclusive as to the number of compensable hours worked by each CMG employee assigned to Client for that workweek. The billing rate(s) include(s) assigned employee wages, the payroll burden costs referred to in paragraph (2) above, and gross profit. It is mutually agreed that, if, at any time during the term of this Agreement, CMG is required to increase such wage and/or payroll burden costs, including but not limited to, statutory increases in employment taxes, increases in worker's compensation rates, as the direct result of any determination, order, or action by any applicable Federal, State, or local governmental authority, or collective bargaining unit, Client shall reimburse CMG at cost for any such increases. Rates previously agreed to (Exhibit A) will be increased accordingly. Where applicable, Client will pay any State or local sales tax.
5. Overtime. It is mutually understood that the rate(s) referred to in paragraph (4) above does not include CMG assigned employees working overtime. In the event CMG assigned employees assigned to Client do work in excess of forty (40) hours in any one CMG workweek (seven consecutive 24-hour periods as established by the CMG Office), Client will pay CMG for such additional hours at the rate of one and one-half the assigned employee's straight-time rate. Such additional hours, if any, shall be performed only at the specific request of Client, and shall be evidenced by the verified hours referred to in paragraph (3) above.
6. Workers' Compensation and Liability.
- a) CMG has procured, and will maintain in effect throughout the life of this Agreement, Workers' Compensation insurance in full limits as required by statute covering CMG employees assigned to Client. If any direct claim for Workers' Compensation benefits is asserted against Client by any of said assigned employees (or in the event of death by their personal representatives), then, upon timely written notice from Client, CMG shall undertake to defend Client against such claim(s) and shall indemnify and hold Client harmless from and against any such claim(s) to the extent of all benefits awarded. However, CMG reserves the right to subrogate workers' compensation claims due to negligence or willful misconduct by Client.

- b) CMG has procured, and will maintain in effect throughout the life of this Agreement, a General Liability and Property Damage Policy in the amount of \$1,000,000.00.
  - c) It is mutually understood and agreed that the above insurance does not cover bodily injury, physical loss, or property damage caused by an CMG assigned employee driving any motor vehicle or driving any motorized equipment in furtherance of Client's business and while within the scope of employment, and that Client will accept full responsibility for bodily injury, property damage, cargo damage, fire, theft, loss, collision, or public liability damage claims that may result from, or be caused by, a CMG assigned employee driving a motor vehicle or driving motorized equipment. Therefore, it is understood and agreed that Client will not permit any CMG assigned employee to drive any motor vehicle or drive any motorized equipment of any kind in the performance of their duties hereunder without first obtaining CMG's written consent.
7. Legal Compliance and Indemnity. In its performance of this Agreement, CMG will comply with all applicable Federal, State, and local laws including, but not limited to, the provisions of the Equal Employment Opportunity Act and the Fair Labor Standards Act, and will indemnify and hold Client harmless from and against any claims, demands, suits, losses, damages, costs, and expenses arising out of any non-compliance violation by CMG of any such laws. In addition, CMG will indemnify and hold Client harmless from and against any and all liabilities, claims, demands, suits, losses, damages, costs and expenses for bodily injury to or death of any person, or damage to or destruction of any property directly caused by any negligent act, negligent omission, willful misconduct or intentional act on the part of CMG, its officers, or assigned employees, except for any such liabilities, claims, suits, losses, damages, costs, and expenses resulting from work performed as instructed by Client, any negligent act, negligent omission, willful misconduct or intentional act on the part of Client, its officers, employees, or agents.
8. The term of this Agreement shall be for one year. The Agreement shall continue on a month to month basis, subject to cancellation at any time by either party on thirty (30) days written notice.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized signing officers as of the day and year shown above.

Federal Energy Corp.

By: Chris Frank

Print: Chris Frank

Title: CFO

Corporate Management Group, Inc.

By: Matt Forss

Print: Matt Forss

Title: President



## Exhibit A Rate Schedule

<b>Administrative &amp; Sales</b>	<b>All hours</b>
Hourly pay rate up to \$20	1.24
Hourly pay range \$21 - \$40	1.22
Hourly pay rate of \$41 & over	1.20

<b>Technical &amp; Labor</b>	<b>Regular hours</b>	<b>Overtime</b>
Recruited rate <i>CMG actively recruits employee</i>	1.34	1.28
Payrolled rate <i>Client recruits employee</i>	1.29	1.28

Early conversion fee of \$750.00 if employee has worked less than 520 regular hours.

Location: Denver, COD

If required, additional fees for Background checks, Physicals or Drug tests will be billed to Client as a "pass-thru cost" at the same rate/amount as charged to CMG.

### AGREED:

Client: Federal Energy Corp.

Signature: Chris Frank

Printed Name Chris Frank

Title: CFO

Dated: 11/18/2013