

# Staffing Agreement

Corporate Management Group, Inc. ("CMG"), Employer Solutions Staffing Group, LLC ("ESSG"), with its principal office located at 7480 Flying Cloud Drive, Eden Prairie, MN 55344 and MODERN SYSTEMS INC. ("CLIENT") agree to the terms and conditions set forth in this Staffing Agreement (the "Agreement").

## **ESSG's Duties and Responsibilities**

1. ESSG will—
  - a. By and through the services of **Corporate Management Group, Inc. (CMG)**, recruit, screen, interview and assign its employees ("Assigned Employees") to perform the type of work described on Exhibit A under CLIENT's supervision at the locations specified on Exhibit A;
  - b. Pay Assigned Employees' wages;
  - c. Pay, withhold and transmit payroll taxes; provide unemployment insurance and workers' compensation benefits; and handle *unemployment and workers' compensation claims* involving Assigned Employees.
  - d. ESSG shall offer affordable, minimum essential coverage to all ESSG's assigned employees who are anticipated to work or who actually do work 120 hours in a month, so that neither ESSG nor Client shall be responsible for a penalty under Section 4980(H) of the Internal Revenue Code. ESSG shall offer coverage in compliance with the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (2010), as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152 (2010), and Section 4980(H) of the Internal Revenue Code, the final regulations, and guidance thereunder. ESSG shall offer this coverage within 90 days of the date the ESSG Assigned Employee is initially employed by ESSG, unless the Assigned Employee qualifies as a bona fide variable hour employee under controlling law. If ESSG fails to offer such coverage as described herein, ESSG shall indemnify and defend Client against any taxes, penalty, claim, or damages alleged or assessed against Client as a result of such failure (including taxes, penalties, and claims based on Client's workers who are not ESSG Assigned Employees). ESSG and Client acknowledge that the fee paid by Client to ESSG under this Agreement is higher as a result of this offer of health coverage than the fee that Client would pay to ESSG if ESSG was not offering such coverage to ESSG Assigned Employees.

## **CLIENT's Duties and Responsibilities**

2. CLIENT will—
  - a. Properly supervise Assigned Employees performing its work and be responsible for its business operations, products, services and intellectual property;
  - b. Properly supervise, control, and safeguard its premises, processes, or systems, and not entrust Assigned Employees with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without ESSG's express prior written approval or as strictly required by the job description provided to ESSG. CLIENT shall not permit ESSG's employees to operate motor vehicles without express permission from ESSG. ESSG's Insurance does not cover loss or damage caused by ESSG's employees' operating the CLIENT's owned or leased motor vehicle(s), and the CLIENT therefore accepts full responsibility for and will indemnify ESSG from any and all claims,

including the defense thereof, involving bodily injury, property damage, fire, theft, collision, cargo damage or public liability damage sustained or incurred as a result of an employee operating such vehicles(s), or arising out of or involving violation by the CLIENT of this Paragraph;

- c. Client provide Assigned Employees with a safe work site and provide appropriate information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site. Client agrees that it has primary responsibility for compliance with state and federal OSHA laws and regulations to the extent those laws apply to Staffing Agency employees assigned to Client's worksite. Client further agrees to provide such assigned employees the proper specific safety training needed to do the assigned jobs and tasks as well as to provide properly fitted and necessary personal protective equipment required to provide adequate protection to such assigned employees. ESSG and ESSG's workers' 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 ESSG, by inspecting such premises or by not inspecting such premises, assumes neither liability nor responsibility for any unsafe working condition that may exist;
- d. Not change Assigned Employees' job duties without ESSG's express prior written approval; and
- e. Exclude Assigned Employees from CLIENT's benefit plans, policies, and practices, and not make any offer or promise relating to Assigned Employees' compensation or benefits.

**On-Site CMG Employees**

3. CLIENT agrees to provide a suitable workstation for CMG's On-Site personnel at CLIENT's premises (if applicable).

**Payment Terms, Bill Rates and Fees**

4. CLIENT will pay ESSG for its performance at the rates set forth on Exhibit A and will also pay any additional costs or fees set forth in this Agreement. ESSG will invoice CLIENT for services provided under this Agreement on a weekly basis. Payment is due (depending on accepted pricing structure) according to terms on Exhibit A. CLIENT agrees to pay the costs of collection, including attorneys' fees and costs, if CLIENT fails to pay amounts that are due and outstanding under this Agreement.

**Non-Solicitation of Employees**

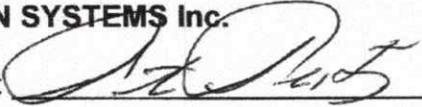
5. During the term of this Agreement and for the six-month period following its termination for any reason, CLIENT shall not, on behalf of itself or any other person, entity, business or corporation, hire, solicit or in any manner attempt, directly or indirectly, to influence, induce or encourage any permanent, corporate direct employee of CMG to leave the employment of Corporate Management Group. Client shall also not use or disclose to any other person, entity, business or corporation any information concerning the names and addresses of any permanent, corporate direct employee CMG. If Client wishes to hire any such an employee, Client shall pay CMG an amount equal to one year's current salary of the On-Site Manager/Coordinator.

**Duration of Agreement**

6. This Agreement shall be for a term of one year and may be renewed by the parties thereafter for subsequent terms. Following the Initial Term, this Agreement shall remain in force from month to month until one party gives written notice to the other party at least thirty (30) days prior to the expiration of any monthly extension of the Initial Term.

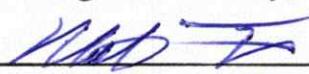
**AGREED TO:**

**MODERN SYSTEMS Inc.**

Signature:   
Printed Name: Steve Seitz  
Title: President  
Date: 12-5-19  
Address: 8833 194<sup>th</sup> Lane NW  
Nowthen, MN 55330

**AGREED TO:**

**Corporate Management Group, Inc.**

Signature:   
Printed Name: Matt Forss  
Date: 12/6/19  
12000 Washington Street, Suite 350  
Thornton, CO 80241

**Employer Solutions Staffing Group, LLC**

Signature:   
Printed Name: Chris Levine  
Date: 12-6-19  
7480 Flying Cloud Drive  
Eden Prairie, MN 55344

**Exhibit A  
Rate Schedule**

	Regular hours	Overtime hours
Billing Multiplier	1.45	1.40

**Early Conversion Fee:**

Client agrees to pay a conversion fee for converting an employee prior to working 400 hours. The fee is based on an assigned employee's annualized compensation according to the following schedule:

Less than 200 hours - 15%

200 – 400 hours - 10%

Work description: TIG WELDERS

Location: 16099 201<sup>ST</sup> AVE NW BIG LAKE MN 55309

**Additional Fees:**

Physicals, Drug tests or DOT checks will be billed to CLIENT as a "pass-thru cost" at the same rate/amount as charged to CMG/ESSG. Standard Background checks are included in the above bill rate.

**AGREED:**

**MODERN SYSTEMS INC.**

Signature: 

Printed Name: Steve Setz

Title: President

Dated: 12-5-19

**Exhibit B  
ESSG Customer Safety Partnership**

ESSG places a strong emphasis on the safety of ESSG workers and ensuring they are afforded a hazard free work environment at all times. This commitment to safety allows us to provide the best possible service to each client at a reasonable cost.

Throughout many industries, the cost of workers' compensation insurance is rapidly increasing. There are many factors contributing to these high costs, some of which we cannot directly control, but others we can.

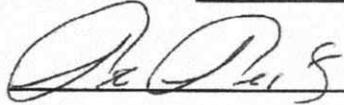
ESSG's goal is to establish a partnership with each client to reduce and/or eliminate any unnecessary injuries and lost-time accidents caused by carelessness or an unsafe work environment. **In accordance with OSHA 300 log compliance, our clients recognize their responsibility in keeping these logs as the host employer and will partner with ESSG to report these recordable incidents in a timely manner to CMG and/or the ESSG Work Comp Department.**

We would like to foster a mutual partnership and understanding of the following safety and on-the-job injury procedures, practices and philosophies:

- Unless the client has obtained prior written consent from ESSG, the client agrees that all ESSG employees will only perform the job activity assigned without deviation from that assignment and will not be asked to perform any activity that has not been previously agreed upon. Any variance from that agreed upon assignment must be reported to ESSG before work begins.
- It is important to have an understanding of your operations in order to provide workers who meet your standards. This includes the physical abilities to fulfill the essential job functions as well as the skill sets that are consistent with your operations.
- ESSG employees will be provided proper safety orientation training in all safety, hazardous communication and operational instructions in the same manner as any of your direct employees.
- ESSG employees will be provided and required to wear all appropriate Personal Protective Equipment (PPE) at all times.
- Client agrees to notify CMG and/or ESSG as soon as possible following the event of an accident or injury of one of ESSG employees.
- Client agrees to adhere to ESSG's Substance Abuse Policy, and notify ESSG in the event of any employee acting intoxicated or in a suspicious manner.
- ESSG employees will be allowed to participate in a Light Duty work program if one is in place for direct employees.
- Client agrees to implement and follow all aspects of ESSG Safety Policies and Procedures.

These areas of agreement are intended to insure a safe and productive partnership and reduce your liability to a minimum. In the event that an accident does occur, Client should contact CMG and/or the WC Department to obtain the required documentation.

MODERN SYSTEMS INC.: \_\_\_\_\_

Signature:  \_\_\_\_\_

Date: 12-5-19 \_\_\_\_\_