

People Plus, Inc. Staffing Agreement

People Plus, Inc., including the wholly-owned subsidiary People Plus Industrial, Inc., with its principal office located at **1095 Nebo Road, Madisonville, Kentucky 42431** (“STAFFING FIRM”), and **Dawson Springs Independent School District**, with its principal office located at **118 East Arcadia Avenue Dawson Springs, KY 42408** (“CLIENT”) agree to the terms and conditions set forth in this Staffing Agreement (the “Agreement”).

STAFFING FIRM

1. Duties and Responsibilities

STAFFING FIRM will

- a. Recruit, screen, interview, hire, 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 **and will, as the common law employer of Assigned Employees, be responsible for the following;**
- b. Pay Assigned Employees’ wages and provide them with the benefits that STAFFING FIRM offers to them;
- 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. Inquire about the working conditions to which Assigned Employees will be exposed at CLIENT’s work site, provide general safety training to Assigned Employees in a language that the Assigned Employees understand, and confirm that Client has provided site-specific safety and health training and safety and personal protective equipment (PPE) required by the Occupational Safety and Health Act of 1970, applicable state and local laws and regulations, as well as any work rules of CLIENT;
- e. Comply with federal, state and local labor and employment laws applicable to Assigned Employees, including the Immigration Reform and Control Act of 1986; the Internal Revenue Code (“Code”); the Employee Retirement Income Security Act (“ERISA”); the Health Insurance Portability and Accountability Act (“HIPAA”); the Family Medical Leave Act; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act; the Fair Labor Standards Act; the Consolidated Omnibus Budget Reconciliation Act (“COBRA”); the Uniformed Services Employment and Reemployment Rights Act of 1994; as set forth in subparagraph h. below, the Patient Protection and Affordable Care Act (ACA); and the Occupational Safety and Health Act of 1970.
- f. Comply with all provisions of the ACA applicable to Assigned Employees, including the employer shared responsibility provisions relating to the offer of “minimum essential coverage” to “full-time” employees (as those terms are defined in Code §4980H and related regulations) and the applicable employer information reporting provisions under Code §6055 and §6056 and related regulations.

1.1 Right to Control

In addition to STAFFING FIRM’S duties and responsibilities set forth in paragraph 1, STAFFING FIRM, as the common law employer, has the right to physically inspect the work site and work processes to assess any potential work site hazards to Assigned Employees; to conduct post-accident/incident investigations; to audit CLIENT’S safety and training records; to review and address, unilaterally or in coordination with CLIENT, Assigned Employee work performance issues; and to enforce STAFFING FIRM’s employment policies relating to Assigned Employee conduct at the worksite.

CLIENT

2. Duties and Responsibilities

CLIENT will

- a. Properly supervise and train, in the same manner as its own employees, 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 permit Assigned Employees to operate any vehicle or mobile equipment, or entrust them with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without STAFFING FIRM's express prior written approval or as strictly required by the job description provided to STAFFING FIRM;
- c. Provide Assigned Employees with a safe work site and working conditions that comply with the Occupational Safety and Health Act of 1970 and applicable state and local laws and regulations, as well as
 - (i) provide Assigned Employees with appropriate safety and training information in a language Assigned Employees can understand and Personal Protective Equipment (PPE), including but not limited to information regarding when PPE must be used, as well as how to put on, take off, adjust, wear, and use PPE;
 - (ii) provide site-specific safety and job training, and train, certify, evaluate, and orient all Assigned Employees in all safety and Injury Illness and Prevention Programs, hazard communication programs (Labels and Safety Data Sheet information, etc.) and operational instructions—in a language Assigned Employees can understand, in the same manner as Client employees, and as required by law, including, but not limited to, all federal OSHA and applicable state safety requirements, guidelines and standards;
 - (iii) within twenty-four (24) hours of training, provide STAFFING FIRM with documentation establishing that such site-specific safety and job training was conducted and what subject matters were covered;
 - (iv) record on CLIENT's OSHA Form 300, Log of Work-Related Injuries and Illnesses, any recordable injuries and illnesses of Assigned Employees and comply with all other OSHA recordkeeping responsibilities applicable to the Assigned Employees in the same manner as its own employees;
 - (v) provide adequate notice to Assigned Employees and STAFFING FIRM of any unsafe conditions or potential hazards at the workplace;
 - (vi) maintain all Safety Data Sheet documentation required by federal and state laws;
 - (vii) refrain from exposing Assigned Employees to any hazardous chemicals (as defined by the OSHA Hazard Communication Standard or any applicable state/local "right to know" law) under normal operating conditions or any foreseeable emergencies without proper training and required personal protective equipment;
 - (viii) respond within a reasonable time to STAFFING FIRM's inquiries regarding working conditions at CLIENT's work site and make CLIENT's work site and records available for inspection by STAFFING FIRM prior to and during Assigned Employees' assignments;
 - (ix) notify STAFFING FIRM immediately of any Assigned Employee accidents or incidents, whether or not resulting in injury or illness; provide STAFFING FIRM with information and the right to conduct a post-incident site investigation regarding, and within twenty-four (24) hours of, any such incident; and cooperate in any post-incident investigation, including making witnesses and records available;

- (x) maintain the following safety and health programs, and any other programs applicable under the Occupational Safety and Health Act of 1970 including compliant training records which shall be subject to audit at STAFFING FIRM'S discretion, applicable to Assigned Employees:

| Safety/Health Program | 29 CFR Standard |
|------------------------------|------------------------|
| Bloodborne pathogens | 1910.1030 |
| Hearing conservation | 1910.95 |
| Hazard communication | 1910.1200 |
| Respiratory protection | 1910.134 |
| Powered industrial vehicles | 1910.178 |
| Control of hazardous energy | 1910.147 |
| Emergency action plan | 1910.157 |
| Job specific tasks | 29 U.S.C. 654 (a) |

and

- (xi) notify STAFFING FIRM immediately of any OSHA inspection or request for information by OSHA.
- d. Not change Assigned Employees' job duties or work site without STAFFING FIRM's express prior written approval. The bill rate quoted by People Plus is based on the job classification (risk). If the client places the assigned employee in a job or environment not anticipated by the assigned classification and the employee is injured or contracts an illness from such job placement, the client may be held responsible for the injury/illness and be liable for the resulting claim.; 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.

Payment Terms, Bill Rates, and Fees

3. CLIENT will pay STAFFING FIRM 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. STAFFING FIRM will invoice CLIENT for services provided under this Agreement on a weekly basis. Payment is due on receipt of invoice. Invoices will be supported by the pertinent time sheets or other agreed system for documenting time worked by the Assigned Employees. CLIENT's signature or other agreed method of approval of the work time submitted for Assigned Employees certifies that the documented hours are correct and authorizes STAFFING FIRM to bill CLIENT for those hours. If a portion of any invoice is disputed, CLIENT will pay the undisputed portion.
4. Assigned Employees are presumed to be nonexempt from laws requiring premium pay for overtime, holiday work, or weekend work. STAFFING FIRM will charge CLIENT special rates for premium work time only when an Assigned Employee's work on assignment to CLIENT, viewed by itself, would legally require premium pay and CLIENT has authorized, directed, or allowed the Assigned Employee to work such premium work time. CLIENT's special billing rate for premium hours will be the same multiple of the regular billing rate as STAFFING FIRM is required to apply to the Assigned Employee's regular pay rate. (For example, when federal law requires 150% of pay for work exceeding 40 hours in a week, CLIENT will be billed at 150% of the regular bill rate.)
5. A STAFFING FIRM Assigned Employee may be hired by CLIENT after completing 520 hours of service with the CLIENT and there are no outstanding invoices over 30 days. The Assigned Employee may be hired prior to the 520 hours if the CLIENT pays a fee that is equal to 10% of the total annual compensation including bonuses and commissions. The CLIENT agrees to notify STAFFING FIRM prior to offering the Employee a position.

6. If CLIENT uses the services of any Assigned Employee as its direct employee, as an independent contractor, or through any person or firm other than STAFFING FIRM during or within 180 days after any assignment of the Assigned Employee to CLIENT from STAFFING FIRM, CLIENT must notify STAFFING FIRM and (a) continue the Assigned Employee's assignment from STAFFING FIRM for his or her remaining 520 consecutive work hours for CLIENT; or (b) pay STAFFING FIRM a fee in the amount of 10% of the total annual compensation including bonuses and commissions for that Assigned Employees.
7. In addition to the bill rates specified in Exhibit A of this Agreement, CLIENT will pay STAFFING FIRM the amount of all new or increased labor costs associated with CLIENT's Assigned Employees that STAFFING FIRM is legally required to pay—such as wages, benefits, payroll taxes, social program contributions, or charges linked to benefit levels—until the parties agree on new bill rates.
8. CLIENT agrees to pay net upon receipt of invoice and to pay interest on any unpaid balances after 30 days from the date of receipt at the compounded rate of 1.5 % per month (Annual Percentage Rate of 18%) or the maximum legal rate, whichever is higher, calculated from the date of receipt. At 60 days (excluding disputed charges) the client shall lose any discounted or preferential pricing. At 90 days the account is in serious arrears and the account may be placed in collection. If it becomes necessary for People Plus to collect any outstanding amounts due, Client Company agrees to pay all damages flowing there from and all costs of collection, including a reasonable attorney fee. As collateral securing all obligation of Client Company to People Plus, the Client Company grants a security interest in all its accounts, inventory, equipment, investment property, chattel paper, instruments, documents and general intangibles and authorizes People Plus to take steps necessary to perfect the same.
9. If CLIENT limits an Assigned Employee's work day to fewer than 3 hours, STAFFING FIRM may deem that day to include 3 hours of time worked and may bill CLIENT 3 hours if STAFFING FIRM pays the Assigned Employee for the 3 hours.
10. STAFFING FIRM guarantees that the Assigned Employees that STAFFING FIRM recruits and assigns to CLIENT will have the qualifications CLIENT requests. If CLIENT finds any Assigned Employee's qualifications or general work-related behavior lacking and lets STAFFING FIRM know within 4 hours, STAFFING FIRM will not charge for the first 4 hours of the assignment and will make reasonable efforts to replace the Assigned Employee immediately.

Confidential Information

11. Both parties may receive information that is proprietary to or confidential to the other party or its affiliated companies and their clients. Both parties agree to hold such information in strict confidence and not to disclose such information to third parties or to use such information for any purpose whatsoever other than performing under this Agreement or as required by law. No knowledge, possession, or use of CLIENT's confidential information will be imputed to STAFFING FIRM as a result of Assigned Employees' access to such information.

Cooperation

12. The parties agree to cooperate fully and to provide assistance to the other party in the investigation and resolution of any complaints, claims, actions, or proceedings that may be brought by or that may involve Assigned Employees.

Indemnification and Limitation of Liability

13. To the extent permitted by law, STAFFING FIRM will defend, indemnify, and hold CLIENT and its parent, subsidiaries, directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by STAFFING FIRM's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 1; or the negligence, gross negligence, or willful misconduct of STAFFING FIRM or STAFFING FIRM's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

14. To the extent permitted by law, CLIENT will defend, indemnify, and hold STAFFING FIRM and its parent, subsidiaries, directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by CLIENT's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 2; or the negligence, gross negligence, or willful misconduct of CLIENT or CLIENT's officers, employees, or authorized agents in the discharge of those duties and responsibilities.
15. Neither party shall be liable for or be required to indemnify the other party for any incidental, consequential, exemplary, special, punitive, or lost profit damages that arise in connection with this Agreement, regardless of the form of action (whether in contract, tort, negligence, strict liability, or otherwise) and regardless of how characterized, even if such party has been advised of the possibility of such damages.
16. As a condition precedent to indemnification, the party seeking indemnification will inform the other party within 30 business days after it receives notice of any claim, loss, liability, or demand for which it seeks indemnification from the other party; and the party seeking indemnification will cooperate in the investigation and defense of any such matter.
17. The provisions in paragraphs 9 through 13 of this Agreement constitute the complete agreement between the parties with respect to indemnification, and each party waives its right to assert any common-law indemnification or contribution claim against the other party.

Choice of Law

18. This agreement will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without reference to any conflicts of law principles thereof.

Term of Agreement

19. This Agreement will be for a term of three (3) years from the first date on which both parties have executed it. The Agreement may be terminated by either party upon 30 days written notice to the other party, except that, if a party becomes bankrupt or insolvent, discontinues operations, or fails to make any payments as required by the Agreement, either party may terminate the agreement upon 48 hours written notice.

Insurance

20. STAFFING FIRM will cover STAFFING FIRM's staffing operations for CLIENT with at least the following types and limits of insurance or other coverage:
 - a. Workers' compensation benefits or coverage on the Assigned Employees, in amounts no less than required by law
 - b. Employer's liability insurance with limits of \$1,000,000.00
 - c. Commercial general liability insurance, including personal injury, contractual liability, and property damage, with limits of \$1,000,000.00 per occurrence, \$2,000,000.00 aggregate.

Staffing Firm Health Coverage Offered On Behalf Of Client

21. Although the parties intend that STAFFING FIRM and not CLIENT be deemed the common law employer (within the meaning of Treas. Reg. § 31.3401(c)-1(c)) of Assigned Employees and that such employees be deemed the common law employees of STAFFING FIRM and not CLIENT, the parties nevertheless intend to satisfy the requirements of Treas. Reg. § 54.4980H-4(b)(2), under which an offer of group health plan coverage made by STAFFING FIRM is treated as an offer of coverage by CLIENT for all purposes of Code § 4980H, provided that certain criteria are satisfied. Accordingly, if The Parties deem it necessary (to comply with changing law or interpretation of law from the date hereby signed), The Parties will use best efforts to adjust the fee per hour for which an employee placed with CLIENT by STAFFING FIRM is offered coverage offered by STAFFING FIRM. Such adjustment, as agreed by The Parties, may be reflected as an Affordable Care Act (ACA) Fee adjustment on Exhibit A.

Staffing Firm Indemnification of Client for Liability under Affordable Care Act

22. STAFFING FIRM shall be solely responsible for, and shall reimburse, indemnify, and hold harmless CLIENT(hereafter collectively referred to as "CLIENT Indemnity") for, any taxes, penalties, or other liabilities assessed against STAFFING FIRM or CLIENT under Code §4980H with respect to Assigned Employees due to STAFFING FIRM's failure to—

- (i) Offer "minimum essential coverage" under an "eligible employer-sponsored plan" each within the meaning of Code §5000A(f)(1)(B); or
- (ii) Offer coverage that is not "affordable" or fails to provide "minimum value," each within the meaning of Code §36B(c)(2)(C) and §4980H(b) and related regulations.

Provided, however, that in no event shall CLIENT Indemnity extend to any taxes, penalties, or other liabilities under the under Code §4980H where such tax, penalty, or other liability results from the imposition of penalties under (i) Code §4980H(a), as a result of the failure by CLIENT to make offers of minimum essential coverage to its employees under an eligible employer-sponsored plan, or (ii) Code §4980H(b) as a result of CLIENT's making an offer of minimum essential coverage to its employees under an eligible employer-sponsored plan that is either unaffordable or fails to provide minimum value.

If CLIENT is notified by any government entity of CLIENT's potential liability for any such taxes, penalties, or other liabilities relating to Assigned Employees, STAFFING FIRM shall fully cooperate, at STAFFING FIRM's reasonable expense, with CLIENT's efforts to object to or appeal any such determination of liability or potential liability.

Nature of Relationship

23. The services that STAFFING FIRM will render to CLIENT under this Agreement will be as an independent contractor. Nothing contained in this Agreement will be construed to create the relationship of principal and agent, or employer and employee, between STAFFING FIRM and CLIENT.

Headings

24. The headings of the paragraphs of this Agreement are inserted solely for the convenience of reference. They will in no way define, limit, extend, or aid in the construction of the scope, extent, or intent of this Agreement.

Arbitration

25. Any controversy or dispute between the parties arising out of this Agreement will be resolved by arbitration under the Federal Arbitration Act and before the American Arbitration Association (AAA) at the AAA location closest to STAFFING FIRM's office. The costs of arbitration will be shared equally by the parties. The arbitrator will have no authority to change any of the terms of this Agreement. All decisions of the arbitrator will be final and binding upon the parties. The prevailing party will be awarded reasonable attorney's fees incurred in the arbitration in addition to any other relief awarded. Judgment upon any award rendered by the arbitrator may be entered in any court of competent jurisdiction.

Contract Interpretation

26. The rule of construction that ambiguities in an agreement are to be construed against the drafter will not be invoked or applied in any dispute regarding the meaning of any provision of this Agreement.

Assignment of Agreement

27. CLIENT shall not transfer or assign this Agreement without the written consent of STAFFING FIRM, and any attempted assignment without such consent shall immediately terminate this Agreement.

Miscellaneous

28. Provisions of this Agreement, which by their terms extend beyond the termination or nonrenewal of this Agreement, will remain effective after termination or nonrenewal. No provision of this Agreement may be amended or waived unless agreed to in a writing signed by the parties.

29. Each provision of this Agreement will be considered severable, such that if any one provision or clause conflicts with existing or future applicable law or may not be given full effect because of such law, no other provision that can operate without the conflicting provision or clause will be affected.
30. This Agreement and the exhibits attached to it contain the entire understanding between the parties and supersede all prior agreements and understandings relating to the subject matter of the Agreement.
31. The provisions of this Agreement will inure to the benefit of and be binding on the parties and their respective representatives, successors, and assigns.
32. The failure of a party to enforce the provisions of this Agreement will not be a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.
33. CLIENT will not transfer or assign this Agreement without STAFFING FIRM's written consent.
34. Any notice or other communication will be deemed to be properly given only when sent via the United States Postal Service or a nationally recognized courier, addressed as shown on the first page of this Agreement.
35. Neither party will be responsible for failure or delay in performance of this Agreement if the failure or delay is due to labor disputes, strikes, fire, riot, war, terrorism, acts of God, or any other causes beyond the control of the nonperforming party.

Authorized representatives of the parties have executed this Agreement below to express the parties' agreement to its terms.

| | |
|-----------------------|------------------------|
| _____ CLIENT | _____ STAFFING FIRM |
| _____ Signature | _____ Signature |
| _____ Printed Name | _____ Printed Name |
| _____ Title | _____ Title |
| _____ Date | _____ Date |

Exhibit A Sample Rate Schedule

| Job Title or Description | Shift | Location | Hourly Bill Rate |
|--|-------|---|------------------|
| Custodian | 2nd | 317 Eli St Dawson Springs KY, 42408 | \$12.14/hour |
| | | | |
| **Bill rate based on \$8.26/hour employee pay rate** | | | |

Affordable Care Act (ACA) Fees: \$0.00 per hour.

Background Checks

At STAFFING FIRM's expense, STAFFING FIRM will perform the following types of background/qualification checks for all employees which it selects for assignment to CLIENT and will not assign unqualified personnel to CLIENT: 5-panel urine drug screen, Social Security verification, E-Verify check, and 10-year Kentucky Statewide criminal background report **along with Federal and Sex Offender**

Check per client request

Any additional screenings required can be performed but will be submitted as an additional pass-through cost to CLIENT.

| | |
|--------------|---------------|
| CLIENT | STAFFING FIRM |
| Signature | Signature |
| Printed Name | Printed Name |
| Title | Title |
| Date | Date |