STAFFING SERVICE AGREEMENT

| This Staffing Service Agreement ("Agreement") is en | tered into as of, 2022, by and between | | |
|--|--|--|--|
| THE WORKS INC. a corporation dba MendoLake Staffing ("TWI"), and | | | |
| | | | |
| CASPAR SOUTH WATER DISTRICT | ("Client") unfamed to bearing at the metion of Cill | | |
| | ("Client"), referred to herein as the parties, as follows: | | |

BACKGROUND FACTS

A. TWI provides staffing services to its clients, including the provision of employees for temporary or non-permanent employment which includes complete payroll processing, worker's compensation insurance and unemployment insurance benefits for TWI employees.

B. Client desires to utilize TWI's services, on the terms and conditions stated herein.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

- 1. Provision of Employees to Client. (a) General. TWI agrees to employ and provide to Client employees for Client's use during the term of this Agreement. There is a 4 (four) hour minimum for each assignment TWI sends an employee to. TWI alone shall establish the wages TWI will pay to its referred employees for work provided to Client (Client is free to suggest pay rates to TWI). TWI shall handle and process all payroll and related administrative matters associated with such employees during the term of this Agreement (excluding Client's internal matters). TWI provides benefits as required by law to compensate for FMLA and implementation of sick leave pay effective July 1, 2015. Client shall pay TWI for such services pursuant to Section 2 of this Agreement.
- (b) Exclusive Period. Client agrees that TWI incurs substantial expense screening and hiring quality employees and determining their qualifications. Client therefore agrees that Client shall not employ or seek to employ (as employee or "independent contractor") a TWI employee until such employee has worked at Client's business, while employed by TWI, for not less than 500 hours. Notwithstanding the foregoing, however, Client may directly employ a provided employee if Client complies with the provisions of this Agreement regarding Contract Buyout, in Section 4, below. Total balance on client account must be received by TWI before employee is employed by client.
- 2. Client Payment to TWI. (a) General. Client shall pay TWI a fixed hourly amount for each hour worked by each type of employee referred by TWI to Client. TWI shall provide a weekly invoice to Client listing the employees provided and the amount of time worked and the resulting amount due from Client to TWI. TWI's invoices to Client shall be based upon time sheets provided by such employees to TWI. Client understands and agrees that Client's payments to TWI under the Agreement are not dependent upon the amount paid by TWI to TWI's employees for the subject work. Client agrees to pay to TWI, within ten (10) days of receipt of each TWI invoice, the amount stated thereon as due from Client to TWI. Client also agrees to pay to TWI, as a late charge and to compensate TWI for additional administrative and/or finance costs incurred, ten percent of the invoice if Client fails to pay same in full within such ten days.

(b) <u>Categories</u>, <u>Rates</u>. The categories of employees covered by this Agreement, and the hourly rate to be paid by Client to TWI for each such category of employees, is as follows:

| Category | Rate |
|----------------|--------------------|
| WATER DISTRICT | \$ |
| WATER DISTRICT | \$/ hour @ \$100PH |
| | \$/hour |
| | \$/hour |
| | /hour |

- (c) Exceptions. If Client and TWI agree that a particular employee shall receive a rate of pay other than decided by TWI or as preferred by Client, the rate that Client shall pay to TWI for that employee shall also change, and the parties hereby agree to execute an amendment to this Agreement specifying such employee and such new rate.
- (d) <u>Inconsistent/Sporadic Employee Work Schedules</u>. Employees that are not consistently utilized by Client shall be dropped from TWI's payroll and excluded from this Agreement. Specifically, if an employee covered by this Agreement does not provide a time sheet in any given week, or provides a time card that in TWI's judgment reflects an unreasonably low number of hours, that employee shall no longer be an employee of TWI and shall no longer be covered by this Agreement (in which event Client shall become the employer). To resume coverage under this Agreement, an employee that has been dropped must provide to TWI, before 8:00 a.m. on Monday (or the first work day) of the upcoming week, a work schedule for such week. TWI may reject such proposed schedule if it does not reflect at least the prior average number of hours worked by that employee.
- (e) <u>Client Sick Pay To Employee.</u> Client agrees to the "share of cost" agreement for sick time pay to employee(s) working through TWI. This includes all new regulations for sick, COVID, or other mandated sick pay. Client shall pay the regular hourly wage for sick time requirements to employee(s) who meet the criteria of guidelines to be eligible for the pay. TWI agrees to cover the expenses on the hourly wages for sick time paid to employee(s) working at client site.
- (f) <u>Client Non-Payment To Employee</u>. During the term of this Agreement, Client shall not during the term of this Agreement pay any money directly to any TWI employee or other person covered by this Agreement, specifically including (a) for work performed by such employee but not included on the employee's time cards given to TWI, and (b) for an advance on wages.
- 3. Client Responsibilities (a) Safe Work Site; Compliance With Laws; Indemnity. Client agrees to provide a safe work site for TWI's employees. Client shall comply with all applicable laws, ordinances, regulations and other applicable provisions, including but not limited to those relating to safe work sites, health and safety equipment, and clothing or devices necessary or required by law for any work to be performed. The client agrees to indemnify and hold harmless TWI against all claims, damages, losses or other detriment arising from or related to Client's failure to provide a safe workplace or Client's failure to comply with all applicable laws.
- (b) <u>Client Liability Insurance</u>. Client agrees to obtain and maintain reasonable and required levels of liability insurance that would apply to damage caused by the TWI employees while working under Caspar South Water District and / or supervision. Workers are employees of CSWD while working on jobsite(s).

- (c) <u>Client Solely Responsible For Employee Vehicle Use</u>. Client understands and agrees that TWI has not and will not screen, qualify or otherwise inquire regarding the TWI employees' ability to drive vehicles. Client agrees to take, and to be fully and solely responsible for, all actions required to comply with all applicable laws regarding same if such employees are asked to operate any vehicles while working for Client, including DMV checks, driving tests, etc. Client agrees to indemnify and hold harmless TWI against all claims, damages, losses or other detriment arising from or related to Client's failure to comply with the foregoing.
- 4. Contract Buy-out. If Client desires to employ directly a TWI employee covered by this Agreement, before that employee has worked 500 hours pursuant to this Agreement, Client agrees to first pay balance due on account to TWI and the following amounts: (these rates apply to TWI referred employees) N/A for client referred employees placed under our program. The buy out below reflects a discounted buy out amount for early buy out of employees placed on client site by The Works, Inc. Said amount discounted from original bill rate (referred to as "less" below) to be paid per hour for the remaining hours in order to equal 500 hours to meet the minimum requirement. Contract buy out does not apply to Caspar South Water District as employee's are contract employees.

| Category - | _=\$ | less \$ | _/hour worked |
|---------------------------|------|-----------|---------------|
| Category - DOES NOT APPLY | _=\$ | less \$ | _/hour worked |
| Category - | _=\$ | less \$ | _/hour worked |
| Category - | _=\$ | _ less \$ | _/hour worked |
| Category - | _=\$ | _less \$ | _/hour worked |

5. <u>Miscellaneous</u>. (a) <u>Notices</u>. All notices or other communications provided for by this Agreement shall be made in writing and shall be deemed properly delivered when (i) delivered personally or (ii) by the mailing of such notice by registered or certified mail, postage prepaid, to the parties and the address set forth below. The address of each party for purpose of this section is as follows:

| TWI: | The Works Inc / MLS | Client: | |
|------|------------------------------|---------|--|
| | 206 S State Street, Suite 10 | | |
| | P.O. Box 745 | | |
| | Ukiah, California 95482 | | |
| | (707) 467-0117 | | |

Any party may change its address for purposes of this paragraph by giving the other party written notice of the new address in the manner set forth above.

- (b) Entire Agreement. This Agreement is the entire agreement between the parties relating to the subject hereof, and supersedes all prior statements, assurances, representations, agreements, arrangements, negotiations and understandings related thereto that are not expressly contained herein.
- (c) <u>Waiver</u>. No waiver of any term, provision or condition of this Agreement shall be deemed to be, or shall constitute, a waiver of any other term, provision or condition herein, whether or not similar. No such waiver shall be binding unless in writing and signed by the waiving party.
- (d) Amendments In Writing. No supplement, modification or amendment of any term, provision or condition of this Agreement shall be binding or enforceable unless evidenced in writing signed by the parties to this Agreement.

- (e) <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (f) <u>Reformation/Severability</u>. If any provision of this Agreement is declared invalid by any tribunal, then such provision shall be deemed automatically adjusted to the minimum extent necessary to conform to the requirements for validity as declared at such time, and as so adjusted, shall be deemed a provision of this Agreement as though originally included herein. In the event that the provision invalidated is of such a nature that it cannot be so adjusted, the provision shall be deemed deleted from this Agreement as though such provision had never been included herein. In either case, the remaining provisions of this Agreement shall remain in effect.
- (g) Attorney Fees, Costs, Waiver of Jury Trial. In the event of any litigation arising under or concerning this Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs from the non-prevailing party in such litigation. Both parties, after obtaining independent legal advice with respect to this clause, do hereby knowingly waive their right to insist upon a trial by jury of any claims related to or arising out of this Agreement. The parties acknowledge that this means any trial will therefore be to a Judge without a jury.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it on the dates set forth below.

| Dated:, 2022 | |
|--------------|---|
| | THE WORKS INC dba MendoLake Staffing |
| | By: Larry T. Heal / Kandy K. Heal / Kristy Kelsay |
| | President / CFO / Managing Director |
| Dated:, 2022 | Sign: |
| | Co: |
| | Print: |
| | Title: |

THE WORKS, INC. CREDIT APPLICATION

| COMPANY NAME: | | PHONE |
|--|------------------------|------------------------|
| STREET ADDRESS: | | CELL CELL |
| CITY: | STATE: _ | ZIPZIP |
| BILLING ADDRESS (IF DIFFERENT FROM AB | OVE): | |
| CITY: | STATE: _ | ZIP |
| EMAIL: | | CREDIT LINE SOUGHT: \$ |
| COMPANY IS A: CORPORATION F | PARTNERSHIP PROPRIET | TORSHIP L.L.C OTHER: |
| Federal ID #: | D & B NO: | ANNUAL SALES: \$ |
| ARE FINANCIAL STATEMENTS AVAILABLE? | YES NO # YEARS IN | BUSINESS |
| BANKING REFERENCE | | |
| BANK NAME: | | _ ACCOUNT #: |
| BRANCH ADDRESS: | | _CITY/STATE/ZIP: |
| | | _PHONE: |
| TRADE REFERENCES | | |
| VENDOR 1: | | _CONTACT: |
| | | _CITY/STATE/ZIP: |
| PHONE: | PHONE2: | ACCOUNT #: |
| VENDOR 2: | | _CONTACT: |
| PAYMENT ADDRESS: | | _ CITY/STATE/ZIP: |
| PHONE: | PHONE2: | ACCOUNT #: |
| TERMS & CONDITIONS THE WORKS, INC. DBA MENDOLAKE STAFFING ("TWI") TERMS OF SALES, INCLUDING TERMS OF PAYMENT AND CHARGES, FOR EACH PURCHASE ARE AGREED TO BE THOSE SPECIFIED ON THE FACE OF EACH TWI INVOICE. THE CUSTOMER HEREBY AGREES TO PAY ALL COSTS OF COLLECTION OR LEGAL FEES SHOULD SUCH ACTION BE NECESSARY DUE TO NON-PAYMENT TO TWI. THE ABOVE INFORMATION IS WILLINGLY SUPPLIED AND TWI IS AUTHORIZED TO CONTACT THE ABOVE BANK AND TRADE REFERENCES IN ORDER TO ESTABLISH THE CREDITWORTHINESS OF THE COMPANY NAMED ABOVE. IF THE APPLICANT IS NOT A CORPORATION, TWI IS AUTHORIZED TO OBTAIN CREDIT REPORTS ON THE PROPRIETORS, PARTNERS OR PRINCIPALS. SHOULD CREDIT AVAILABILITY BE GRANTED BY TWI, ALL DECISIONS WITH RESPECT TO THE EXTENSION OR CONTINUATION SHALL BE IN THE SOLE DISCRETION OF TWI. TWI MAY TERMINATE ANY CREDIT AVAILABILITY WITHIN ITS SOLE DISCRETION. I HAVE READ AND UNDERSTAND THE ABOVE TERMS AND CONDITIONS, AND HEREBY AGREE TO THEM: | | |
| APPLICANT'S NAME: | | Title |
| DATE: | APPLICANT'S SIGNATURE: | |