

CLIENT SERVICE AGREEMENT

Parties "Client" means _____ . "Staffing Firm" means Contracted Driver Services, Inc., located at 13817 W. Van Buren Street, Goodyear, Arizona 85338.

Staffing Firm's Services, Risks, and Responsibilities As Staffing Firm's Services to Client, Staffing Firm will assign certain of its employees ("Drivers") to drive and do other work for Client's business or organization. Staffing Firm does not guarantee that all Client orders will be filled. Although Staffing Firm may use the services of a professional employer organization to provide benefits and other employer of record services related to the Drivers, Staffing Firm is and remains the Drivers' sole common law employer, and its risks and responsibilities include:

- Recruiting, screening, and hiring Drivers in accordance with law
- Obtaining and administering I-9 documentation of Drivers' right to work in the United States
- Ensuring its compliance as a staffing firm employer of Drivers with the Occupational Safety and Health Act of 1970
- Maintaining personnel and payroll records on Drivers
- Complying with the Affordable Care Act with respect to Drivers
- Exercising supervision of Drivers for human resources matters
- Assigning Drivers to Client that possess the Client-requested qualifications that Staffing Firm represents them to have
- Replacing Drivers if their performance is not adequate
- Establishing, calculating, and ensuring payment of Drivers' wages
- Providing the benefits that Staffing Firm offers or arranges to be offered to Drivers
- Directly or indirectly withholding, remitting, and reporting on Drivers' payroll taxes, contributions, and insurance premiums for programs that are legislatively mandated to be provided to Drivers
- Providing or arranging for the provision of workers' compensation benefits or coverage for Drivers in amounts at least equal to what is required by law
- Fulfilling or arranging for the fulfillment of the employer's obligations for unemployment compensation insurance
- Complying with employment laws, as they apply to Staffing Firm as a common law employer
- Performing interactive processes required to make individual judgments under employment laws
- Responding to subpoenas that inquire about Drivers' employment with Staffing Firm, whether on assignment to Client or not
- Endeavoring to reassign Drivers in good standing when their work assignments end
- Terminating the employment of Drivers, as necessary

Staffing Firm shall have the right to control the details of the work performed by Drivers on assignment to Client. This overall right, which is not a duty to Client or to third parties, includes, without limitation, the rights to:

- Physically inspect the work site, vehicles, and equipment to which Drivers are assigned, including trucks and equipment in transit
- Assess the working conditions to which Drivers will be exposed on assignment to Client
- Specify work tasks that Drivers shall not be asked to perform
- Provide appropriate general safety training to Drivers in language that they understand
- Confirm that Client has provided the site-specific safety and health training and safety and personal protective equipment required by law or by Client's work rules
- Conduct investigations of accidents and incidents relevant to Drivers' assignments
- Audit Client's safety and training records as they apply to Drivers and their work
- Review and address the work performance of Drivers (unilaterally or in coordination with Client)
- Enforce Staffing Firm's policies relating to Drivers

Client's Risks, Responsibilities and Unauthorized Actions Client's risks and responsibilities include:

- Bearing, managing, and fulfilling all of the risks, obligations, and duties of a motor carrier under federal and state laws and regulations; including all risks associated to the potential damage of Client's property, automobiles, equipment, products hauled, or 3rd party automobiles and property.
- Reviewing and selecting the Drivers that meet Client's required qualifications
- Maintaining safe and healthy workplaces and environments for Drivers in full compliance with the law and according to the assumption that Client has all of the safety obligations with respect to Drivers that it has or would have with respect to its own employees
- Providing Drivers with instructions, training, assistance, supervision, and time for performing their assignments comparable to what Client provides or would provide to its own employees
- Providing Drivers and Staffing Firm with timely and adequate notice of all unsafe conditions or potential hazards at the workplaces or environments where Drivers will work or be located
- Providing Drivers with information, training, and safety equipment for any hazardous substances present in Client's operations
- Notifying Staffing Firm immediately of any accidents or incidents involving Drivers and of any inspection or request for information by OSHA or its state counterparts and cooperating with Staffing Firm's investigation of such accident or injury by providing Staffing Firm with all relevant records or information regarding the accident or injury that Client may possess
- Maintaining all reports, records, and other information necessary to comply with applicable safety regulations of governmental regulatory agencies having jurisdiction over Client, its facilities, and equipment, including but not limited to Driver qualification files, driver logs, and vehicle inspection reports
- Maintaining accurate records with regard to hours worked and miles driven by Drivers for Client and provide such records to Staffing Firm upon request
- The work and work product of Drivers in the Client's business or organizational activities
- Ensuring that Client's fringe benefit and employee benefit plans and policies effectively exclude Drivers from participation
- Losses, damages, maintenance costs, wear and tear, depreciation, and replacement of all vehicles and equipment used by or accessible to Drivers on assignment
- The conduct of Client's officers, employees, and agents (except to the extent Client is immune from suit for workplace injuries covered by Staffing Firm's workers' compensation program)
- The acts and omissions of Drivers acting under the direction of Client's officers, employees, or agents
- Duties or findings imposed by law on recipients of staffing services
- Protection and security of Client's intellectual property
- The products or services of Client's business
- Losses enabled or enhanced by lack of reasonable supervision, process controls, safeguards, or backups
- Risks arising from the exposure of Drivers to: cash, credit cards, check-writing materials, or negotiables; keys, merchandise, confidential information, or other valuables; sensitive or unsupervised premises; or passwords, user IDs, combinations, or PINs other than those properly issued to them, except as may be expressly provided in this Agreement

Client is not authorized by Staffing Firm to, and shall not:

- Directly discipline or purport to terminate the employment of any Driver
- Change or increase the duties that Drivers are expected to perform on assignment, without prior consultation and approval of Staffing Firm
- Pay or deliver to Drivers any form of compensation
- Discuss compensation matters with Drivers
- Discuss with Drivers the potential for obtaining their services through any source other than Staffing Firm, without prior consultation, approval, and fulfillment of the conversion terms of this Agreement
- Hold Drivers out as its employees, such as by issuing business cards, letterhead, email signature blocks, or other indicia of position to the Driver that do not identify the Driver as an employee of Staffing Firm
- Make any claim, representation of facts, admission, or acquiescence to any government agency to the effect that Drivers are Client's common law or joint employees or that Drivers have a community of interest with Client's direct employees

Driver Qualification Files and Payroll Records. Upon 24 hours of notice by Client during normal business hours, Staffing Firm shall maintain and make available for inspection and copying at its office, Driver qualification files and payroll records associated with work a Driver performed for Client. Staffing Firm will maintain complete and accurate records to substantiate all invoices to Client hereunder. Such records may include payroll records, attendance records, and time summaries, and Staffing Firm will retain such records for a period of one year from the date of each related invoice for review by Client.

Drug and Background Screening; Road Testing; Compensable Time Staffing Firm shall provide Drivers that have been properly screened to perform work as commercial drivers under the Federal Motor Carrier Safety Regulations (49 CFR Parts 382-399). Such screening shall include Department of Transportation ("DOT") drug testing, background checks, reference checks, and licensing. For purposes of compliance with the regulations and for Staffing Firm's drug and alcohol testing program for Staffing Firm Drivers, Staffing Firm is Client's agent. However, Staffing Firm shall apply its own adjudication and selection criteria to the results of background checks when placing Drivers on assignment to Client. Client may, at its own expense, independently drug and/or alcohol test Drivers.

Client shall be solely responsible for performing any road-testing procedures that it desires or that are required. Staffing Firm will determine whether training, interviewing, or testing time spent by Drivers or candidates to become Drivers will be treated as time worked, resulting in pay and billing for that time.

Driving and Safety. Client shall properly supervise and control all Drivers performing services and shall be responsible for Client's business operations, vehicles, products, services and intellectual property. Client shall provide all vehicles, equipment, and tools required for Driver to safely perform the services requested pursuant to this Agreement. Staffing Firm shall have no responsibility for any vehicle or equipment related expenses, including, but not limited to fuel, licenses, repairs and permits for motor vehicles.

Client shall comply with all applicable federal and state laws and regulations regarding its operation, and the operation, inspection and maintenance of motor vehicles and equipment and shall not require or permit Staffing Firm's Drivers or employees to operate any motor vehicles or equipment in a manner that is unsafe and/or not in compliance with such laws or regulations. Client agrees to maintain all of the equipment and vehicles provided to or used by Staffing Firm employees or which are used by or on behalf of Client within the work environment provided by Client in good and safe working order.

Except in the event of a life threatening emergency, Client shall not cause or permit Driver(s) to perform any maintenance on, make any repairs to, or alter Client's vehicles or equipment. Staffing Firm shall not be liable for any equipment violations, traffic violations, or fines imposed on any Driver by the DOT or by any other government agency. Client shall comply with all regulations and guidance of the Occupational Safety and Health Administration ("OSHA") and its state counterparts.

Relationship of Parties The Parties are independent contractors and are not each other's partners, joint venturers, principals, agents, insurers, or representatives. Drivers are not authorized to commit Staffing Firm to any obligation, duty, or position.

Removal of Drivers; End of Assignments At Client's direction at any time and for any reason, Staffing Firm will remove any Drivers from assignment to Client. Staffing Firm may also remove Drivers from assignment at any time and, if the reasons for removal permit, will give Client at least one week of prior notice of such removal. Client will notify Staffing Firm of its decision to end a Driver's work assignment and of any other reason why the assignment is ending or has ended.

Drivers' Agreements for Benefit Waivers, Confidentiality, and Work For Hire Staffing Firm will require Drivers to acknowledge that they will have no right to participate in any of Client's employee benefit plans or benefit-oriented policies, to agree to keep in confidence any confidential information they might receive or observe on assignment for Client, and to acknowledge Client's right to all creative "work for hire" performed by them for Client. At Client's request, Staffing Firm will require Drivers to sign Client's versions of such agreements, if those versions are approved by Staffing Firm. On Client's request, Staffing Firm will execute assignments to Client of any rights that it may have to intellectual property developed by Drivers pursuant to their assignment to Client. Information observed by or disclosed to Drivers will not be considered to have been observed by or disclosed to Staffing Firm.

Special Terms and Indemnity For Affordable Care Act Staffing Firm shall maintain a health plan under which it will offer "minimum essential coverage" to its "full-time" employees and their "dependents," as the foregoing quoted terms are defined by the Affordable Care Act of 2010 and its regulations, as interpreted by the federal courts. Staffing Firm shall add a surcharge on its invoices to Client for the Drivers who are actually enrolled in such coverage; Client may audit Staffing Firm's records to confirm the number of Drivers for whom such a surcharge is made. Drivers assigned to Client shall be generally eligible for this plan; however, because of the flexibility of the ACA, not all Drivers will necessarily be eligible for an actual offer of coverage at all times while assigned to Client. By its participation rules, offers of coverage, and premium charges to Drivers, Staffing Firm will ensure that no Drivers assigned to Client will be able to generate assessable payments for their common law employers under Internal Revenue Code §4980H(a).

To the extent required by law, Staffing Firm will report Drivers as Staffing Firm's employees in reports that Staffing Firm files and furnishes under Internal Revenue Code §§6055 and 6056. If an insurer for Staffing Firm files and furnishes reports and statements required under Internal Revenue Code §6055, Staffing Firm will ensure that the insurer includes the Drivers and identifies Staffing Firm as the plan sponsor of the coverage provided to them.

Staffing Firm will indemnify Client for any "assessable payment" for which Client becomes finally and unappealably liable under Internal Revenue Code §4980H with respect to Drivers, to the extent such payment is caused by any failure by Staffing Firm to comply with this Agreement. If Client receives notification from any government entity of its potential liability for any such taxes, penalties, or other liabilities relating to Drivers, Staffing Firm shall fully cooperate, at its reasonable expense, with Client's efforts to object to or appeal any such determination of liability or potential liability. This indemnity obligation is conditioned on:

- Client's notification of Staffing Firm within ten days after Client's obligation for such payments is finally and unappealably determined by the U.S. Government;
- Client's offer for Staffing Firm to fully control the defense or settlement of the allegation from the outset of the process; and
- Client's complete cooperation with Staffing Firm's elective defense or settlement efforts.

Staffing Firm shall not have this indemnity obligation if Client makes any claim, representation of facts, admission, or acquiescence to any government agency to the effect that Drivers are Client's common law or joint employees, as determined under the Affordable Care Act.

Insurance Staffing Firm will cover Staffing Firm's staffing operations with at least the following types and limits of insurance or other coverage:

- Workers' compensation benefits or coverage on the Drivers, in amounts no less than required by law
- Employer's liability insurance with a limit of \$1,000,000 per accident
- Commercial automobile liability insurance with a \$1,000,000 combined single limit on vehicles owned, leased, or rented by Staffing Firm
- Commercial General Liability insurance, including personal injury, contractual liability, and property damage, with a \$1,000,000 limit per occurrence and \$2,000,000 aggregate limit
- Commercial blanket bond insurance with limits of \$1,000,000 per occurrence
- Umbrella liability insurance with limits of \$5,000,000

On Client's request, Staffing Firm will give Client certificates of this insurance coverage or, with the insurer's concurrence, make Client an additional insured for Staffing Firm's Services, excluding Client's negligence or liability for its own risks and responsibilities as listed by this Agreement.

Client shall maintain the following insurance covering Client's business operations and the equipment operated by Staffing Firm Drivers and covering Staffing Firm and its Drivers against claims related to general liability, bodily injury, and property damage:

- Worker's Compensation insurance or state-sanctioned self-insurance for the limits required by law
- Commercial General Liability with limits not less than \$1,000,000
- Comprehensive Business Automobile Liability Insurance with limits not less than \$1,000,000 for all owned, nonowned and hired vehicles and equipment operated by Staffing Firm's Drivers.
- Excess liability insurance of not less than \$4,000,000
- All other insurance required under laws, ordinances and regulations

The Commercial General Liability and Comprehensive Business Automobile insurance shall be primary and non-contributory. Client shall furnish to Staffing Firm Certificates of Insurance, copies of endorsements waiving subrogation against Staffing Firm, and copies of endorsements naming or otherwise establishing Staffing Firm and its Drivers as additional insureds under each such policy. Insurance shall be purchased from insurance companies admitted and licensed to do business in the states in which the Client's vehicles are to be operated and with an AM Best rating of A-VIII or greater.

Rates If Client's straight time bill rates are not set by a supplemental Rate Schedule to this Agreement, Staffing Firm will document the rates approved by Client via email to Client or by entry into Staffing Firm's computer system at the time of assignment. Rates not agreed to for a stated term may be prospectively changed by Staffing Firm upon 7 days of notice to Client. Staffing Firm will not bill Client for any bonuses or non-mandated time off benefits that Staffing Firm may extend to Drivers. Any sales, use, value added, excise, or similar taxes that apply to sales to Client will be added to Client's invoices as a separate item. Rates expressed as "markups" shall indicate bill rates that consist of the Driver's pay rate plus the amount of the stated markup percentage applied to that pay rate.

A surcharge of \$16.85 per week per Driver will be added to Client's invoices to compensate Staffing Firm for the costs of maintaining its health insurance program.

All Drivers are enrolled in a drug & alcohol testing program, for which Client shall be billed an administrative fee of \$1.00 per Driver per week.

If a Driver works in a state or other jurisdiction that mandates paid sick leave, Client shall pay to Staffing Firm an additional 3% of the Driver's Rate for the Driver's work in that state or jurisdiction.

If any actual or government-mandated cost (such as a required wage, minimum wage, payroll tax, insurance premium, assessment, assessable payment, contribution, benefit, or fee) that is beyond the reasonable control of Staffing Firm is imposed, increased, adjusted, or newly introduced with respect to Drivers assigned to Client, Staffing Firm will notify Client at least fourteen days prior to the effective date of the cost increase and add its pretax cost, without markup, to Client's invoices (or separately invoice the costs) for all periods of work covered by the Rate Schedule or other rates quoted before the costs accrue.

If Client terminates or decreases any Staffing Firm service that is part of a bundle offering, the remaining services(s) shall be subject to price increases.

Overtime Drivers are presumed to be nonexempt from overtime laws. Staffing Firm will charge Client premium rates for overtime work when a Driver's work on assignment to Client, taken alone, would legally require premium overtime pay and Client has authorized, directed, or knowingly allowed the Driver to work those hours. Client's bill rate for overtime hours will be the same multiple of the regular time bill rate as Staffing Firm is required to apply to the Driver's regular time pay rate. In addition to complying with the overtime pay requirements of law, Staffing Firm will pay Drivers 1.5 times their pay rates (and will bill Client accordingly) for any day's work hours in excess of 8 (as such daily work hours would be reckoned under the FLSA), to the extent that those hours are not already compensable as legally required overtime.

Invoicing, Time Worked, and Payment Client authorizes Staffing Firm to check Client's credit in connection with this Agreement.

Client agrees to pay Staffing Firm for all compensable time worked by Drivers assigned to Client, plus all additional costs and/or fees set forth in this Agreement. Compensable time may include time related to Driver interviews with Client for potential Staffing Firm assignments, at rates consistent with the pay and bill rates proposed for the position and the candidate's pay rate history. Client shall promptly either approve or dispute the time worked that is reported by Drivers, and time worked that is reported by an automated timekeeping system will be deemed approved by Client.

Client shall accurately report the daily hours worked and miles driven by Drivers to Staffing Firm no less than weekly, utilizing Staffing Firm approved form as revised by Staffing Firm from time-to-time.

If Client limits a Driver's work day to fewer than 8 hours, Staffing Firm may deem that day to include 8 hours of time worked and may bill Client for 8 hours if Staffing Firm pays the Driver for the 8 hours.

If Client cancels an assignment within one hour prior to start of the assignment, Staffing Firm will bill Client for a cancellation charge, which shall be four hours of Driver work time or, if the Driver arrives before the cancellation, six hours of Driver work time.

Staffing Firm will bill Client for reimbursement of cost plus 18% of assignment-related expenses that are approved in advance by Client, paid by Staffing Firm, and documented to Client by receipts, including, but not limited to, motels, airfare, meals, and taxi service.

Staffing Firm will send invoices for each work week to Client's designated location or representative during the following week. Payment by Client to Staffing Firm is due to be received within seven (7) calendar days of the invoice date, with no retained percentage withheld from payment due Staffing Firm, and without regard to Client's receipt of payment from any other party. Client will promptly notify Staffing Firm of any disputed item, and Staffing Firm will work with Client to resolve such item. Invoices that are undisputed by Client for more than 5 days after the invoice date will be presumed correct and will constitute Client's irrevocable acceptance of such charges and Client's waiver of the right to later dispute or reject any charges stated on the invoice.

Client will pay the undisputed portion of invoices without any offset or deduction and will identify which invoice number(s) each payment is intended to satisfy. Client shall pay interest on each invoice balance that remains unpaid after 30 days from the date of the invoice, at the rate of 0.04% of the unpaid amount per day, calculated from the date of the invoice to the date payment is received by Staffing Firm. Client will pay Staffing Firm all of the reasonable expenses, costs, and fees Staffing Firm incurs to collect overdue invoice payments from Client.

Staffing Firm will comply with state laws, rules or regulations requiring additional compensation or benefits for Drivers, and additional fees for such costs will be passed on to the Client.

Conversion of Drivers or Candidates Client will obtain the services of each driver who has been employed during the previous 120 days only through Staffing Firm, unless Client tells Staffing Firm in advance of its wish to obtain the Driver's services by direct hire or by assignment, arrangement, or contract from a non-Staffing Firm source (a "conversion") and either:

- continues or reinitiates the Driver's Staffing Firm assignment until the Driver completes a total of 1,200 work hours for Client on exclusive assignment from Staffing Firm and Client has paid Staffing Firm for all of those hours;
- waits at least 180 days after the Driver's last Staffing Firm assignment to Client before obtaining the Driver's services; or
- pays Staffing Firm an immediate conversion fee of \$7,500.

If Client converts a Driver without informing Staffing Firm and satisfying one of above options, Client will pay Staffing Firm a conversion fee of \$10,000.

If Staffing Firm refers a candidate for Client's consideration as a Driver or direct employee, but the Driver is never assigned to Client, and Client, within 120 days after the referral, obtains that candidate's services by direct hire or by assignment, arrangement, or contract from a non-Staffing Firm source, Client will pay Staffing Firm a placement fee of \$10,000.

In arranging for direct hiring or other conversions, Client may not rely on the hiring processes or information that Staffing Firm used in hiring and assigning the converted candidate as a Driver.

Indemnity Each party will bear or insure only the risks and responsibilities inherent in its own business or stated in this Agreement and, as permitted by law, will be obligated to pay or indemnify the other party only for claims, losses, penalties, and damages to the extent they arise directly from those risks and responsibilities in connection with business done under this Agreement, plus, to the same extent, all reasonable and necessary costs, expenses, and legal fees associated with them. Indemnification of "each party" shall include the employees, officers, directors, and owners of Staffing Firm and Client. When multiple risks or responsibilities are involved in an indemnity issue, they will be applied according to their comparative shares of causation of the events and damages. Risks or responsibilities not allocated by this Agreement will be borne by each party in proportion to the extent that the risk or responsibility is inherent in that party's business. Client's driving-related business (including loading and unloading) inherently includes the risks and consequences of the acts or omissions of qualified humans working in that business, regardless of their negligence or misconduct.

A party need not pay the other party for special, indirect, consequential, or lost profit damages suffered directly by the other party. To obtain indemnification, a party must promptly notify the other party, cooperate in resolving the claim, and (when liability to third parties is involved) yield reasonable control of the claim's resolution to the other party. If the parties do not agree on the indemnification obligations attaching to a pending matter, indemnification payments and duties will not be required until the underlying matter is finally resolved and the facts bearing on indemnification have been determined. The parties will cooperate with each other in the investigations and resolution of all claims and other matters involving Drivers.

Duration This Agreement will continue in force unless one party gives the other party at least 30 days written notice of its intention to conclude it. Conclusion of the Agreement will end the staffing relationship, but the Agreement will continue to govern the parties' rights and obligations with respect to the business done and the Drivers assigned before conclusion of the Agreement.

Entire Agreement; Amendment This Agreement and any attachments contain all of the terms between Client and Staffing Firm on the subject of staffing services and replaces all prior agreements and representations on the subject. This Agreement may be modified or supplemented only by a signed and dated written amendment referring to it. Forms and other communications that may be used by the parties in their staffing relationship (including purchase orders, timecards, invoice recitals, correspondence, and electronic mail) will not supersede, supplement, modify, or control this agreement.