

Temporary Staffing Lease Agreement

Upon the parties' voluntarily entering into this Staff Leasing Agreement (hereinafter "Agreement") for temporary staffing

*of labor entered into and effective upon the date specified herein, between **Stellar Staffing** (hereinafter "Stellar Staffing"), located at 204 North Wheeler, P0 Box 157, Colmesneil TX 75938, and _____ (hereinafter "Client"), located at _____, telephone # _____, the parties hereby agree that the following provisions shall be binding:*

This Agreement shall be effective on _____. The initial term of this Agreement shall be one (1) year from the date of execution, and will be automatically renewable for successive one (1) year terms. After the expiration of the initial term, either party may terminate this agreement upon written notice to the other party. The termination date shall be the date of receipt of written notice by the other party. Furthermore, by written notice, either party may terminate this Agreement immediately upon any material breach by the other party. The termination date shall be the date on which the breach occurred.

Business Intentions

Stellar Staffing and Client agree to employ temporary employees (hereinafter "Assigned Employees"). Stellar Staffing and Client agree to undertake employer responsibilities as allocated by this Agreement. Stellar Staffing agrees to provide Client with only those services identified in this Agreement. Stellar Staffing is not obligated to provide any additional consultation services. Any additional consultation services requested would be governed by an entirely separate written agreement.

During the term of this Agreement, Stellar Staffing shall be responsible for payment of wages or other compensation to the Assigned Employees while they are assigned to Client. Stellar Staffing shall deduct and remit to the proper taxing authority all local, state and federal taxes required of an employer. Based on and in reliance on information provided by Client, Stellar Staffing shall maintain payroll and other wage, benefit and tax records related to the Assigned Employees.

Client shall pay Stellar Staffing for all services rendered. Payments by Stellar Staffing to the Assigned Employees (whether required by local, state or federal law) do not relieve Client of liability to Stellar Staffing.

Client agrees to promptly reimburse Stellar Staffing for any and all amounts paid or accrued to, or on behalf of the Assigned Employees, even if Stellar Staffing is required by law to make such payments.

Stellar Staffing will provide Client with a detailed invoice at the end of each pay period covered by this agreement for all compensation paid to or on behalf of Temporary Assigned Employees in accordance with the Client's schedule.

Fees

Client shall pay an initial set up charge of \$ _____.

Client shall pay to Stellar Staffing a deductible of \$ _____ per Workers' Compensation claim asserted by any Assigned Employee. Said deductible shall include any medical expense, income expense or any other expense incurred by Stellar Staffing in the investigation and defense of any Workers' Compensation claim asserted by any Assigned Employee, including, but not limited to, attorney fees.

At any time during this Agreement, or any successive term, Stellar Staffing may increase its service fee upon the occurrence of any one or more of the following: **(1) *In the event that Stellar Staffing receives an increase in payroll rates or taxes-employee or employer, that Stellar Staffing is required to pay under local, state or federal law, (2) In the event that Stellar Staffing incurs additional and/or and increase in expenses from any third party services, including but not limited to Workers' Compensation insurance, liability insurance, auditing fees or other premium review charges. Those charges and/ or increases shall be passed onto and shall be the sole responsibility of Client. Any increase will be billed to the Client as of the same effective date of the increase to Stellar Staffing.***

Stellar Staffing may increase its service fee upon any increase in the Workers' Compensation insurance premiums charged to Stellar Staffing by its insurance carrier. The effective date of such increase shall be the date that Stellar Staffing is required by its carrier to begin paying such increased premiums. Such increases may include increases due to changes in the classification codes required by Stellar Staffing's insurance carrier for the type of employee services being performed by the Assigned Employees. If the client has had no material Worker's Compensation claims, and has no financial obligations to Stellar Staffing, client may terminate this contract with thirty (30) days written notice.



Client Requirements

Client shall maintain, and shall provide to Stellar Staffing at the end of each pay period, complete and accurate records of actual time worked by each Assigned Employee. Client assumes full and unconditional responsibility for accurate and thorough payroll records submitted to Stellar Staffing. Client warrants that all time cards or other payroll records submitted to Stellar Staffing shall be complete and accurate. Client shall not direct, request or permit the Assigned Employees to work any unreported hours. Such action shall be considered a material breach of this Agreement and is grounds for immediate termination of Client by Stellar Staffing.

Client shall have the sole responsibility to safeguard valuable property, including but not limited to: cash, negotiable instruments, tools, equipment, intellectual property and trade secrets. Client shall have sole responsibility to take all steps necessary to prevent or safeguard against misappropriation or theft of such property by any Assigned Employee. Stellar Staffing shall have no duty to safeguard any property of Client. Stellar Staffing is responsible for screening potential Assigned Employees. . Client accepts all risk that Assigned Employees may prove incompetent, untrustworthy or dishonest.

Client retains full responsibility for: (1) *the direction and control of leased employees as necessary to conduct Client's business, discharge any duty, or comply with any licensure, regulatory or statutory requirements;* (2) *Client goods and services;* and (3) *the acts, errors and omissions of leased employees committed within the scope of the Client's business.*

Client shall require all independent contractors or subcontractors to maintain Workers' Compensation insurance and General Liability insurance. Client shall require each independent contractor or subcontractor to provide evidence of insurance and evidence of Worker's Compensation coverage prior to commencing work. Failure to comply with this paragraph shall result in no coverage for the independent contractor under Stellar Staffing's Workers' Compensation Insurance and Client shall bear the sole cost and responsibility for any claim arising from the independent contractor's work. Client shall further secure an executed TWCC-83 from each independent contractor and file same with the appropriate worker's compensation carrier and with the Worker's Compensation Commission prior to the commencement of work by the independent contractor. Client shall require all independent contractors or subcontractors to endorse all of their policies of insurance to waive subrogation rights against Client and Stellar Staffing and name Client and Stellar Staffing and their agents as additional insureds on all such policies.

Client agrees to indemnify, defend and hold harmless Stellar Staffing, its affiliates and subsidiaries, their shareholders, employees, officers, directors, agents, and representatives, from any and all claims, demands, causes of action, suits, liabilities, damages, punitive damages and expenses (including court costs and attorney's fees) of every kind or character. Stellar Staffing shall have the right to select the attorneys by which it will be



defended. All indemnity obligations and liabilities assumed by Client under this Agreement are without monetary limit and without regard to the cause or causes thereof or the negligence of any party or parties, including the negligence or gross negligence of Stellar Staffing, whether the negligence is sole, assigned, comparative, concurrent, active or passive, ordinary or gross. The indemnification obligations under this agreement shall survive the expiration of this agreement or the termination or breach of this agreement by any party for any reason.

Stellar Staffing shall not provide any benefits including, but not limited to, medical insurance to Assigned Employees. Client shall be solely responsible for obtaining, maintaining and paying any premiums or other costs for any benefits it chooses to provide to Assigned Employees at no additional cost to Stellar Staffing.

Stellar Staffing shall not make, and the on-site supervisors are not authorized to make on behalf of Stellar Staffing, any business related decisions on behalf of Client. All business decisions are the sole responsibility of Client. Any action taken by an on-site supervisor or by an Assigned Employee that is not taken at the express direction and authorization of Stellar Staffing's corporate office shall be the sole responsibility of Client.

Payment for each invoice is due immediately upon receipt by Client. Client shall remit payment of each invoice; either within 24 hours of the end of the pay period or within 24 hours of receipt of said invoice. Failure to comply may be considered a breach of this Agreement and may be grounds for immediate termination.

LATE FEES: If Client's payment is not received by Monday at 5pm of the following week, a 1.5% late fee will be included on the next week's invoice, unless previous arrangements have been made and approved in writing. Client acknowledges that non-payment entitles Stellar Staffing to immediately terminate this Agreement.

NSF CHARGES: All NSF charges must be paid by certified check or bank wire within 24 hours of the notification of the NSF. The amount to be reimbursed to Stellar Staffing will be the amount of the NSF, plus an additional \$50 NSF fee. If a second NSF occurs, a \$300 NSF fee and 1.5% funding fee will be added to the NSF amount. This must be paid and collected within 24 hours. (As a result of these NSF charges, any future payments by the Client must now be submitted via certified funds or cash.) If the second NSF is not paid and collected within 24 hours, a 3% fee will be added to the NSF amount. ***Failure to resolve any NSF issues within 24 hours will result in immediate termination of services and all insurance coverage, regardless of any cancellation periods provided in any other documentation, and will be pursued to the fullest extent of the law, including damages and attorney fees.***



Client shall immediately reimburse Stellar Staffing for all fees and other charges, including attorneys' fees, that Stellar Staffing incurs attributable to Client's failure to pay in accordance with this Agreement and shall owe interest on all late payments at a rate of 1 .S%, from the date the payments were due, but not to exceed the maximum legal rate.

Client shall immediately upon termination of this Agreement for any reason, assume sole responsibility for all federal, state and local obligations of an employer with respect to such employees formerly considered Assigned Employees under this Agreement, including the obligation to provide Workers' Compensation coverage. Immediately upon termination of this Agreement for any reason, Stellar Staffing shall be released from such obligations. If for any reason (whether or not required by applicable law) Stellar Staffing pays any of the employees formerly defined as Assigned Employees for services rendered to Client after this Agreement has been terminated, Client shall tender full and immediate reimbursement for such expenditures, including all reasonable attorney fees.

Compliance

Client shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of person or property or their protection from damage, injury, or loss. Client shall provide, erect, and maintain, as required by conditions, performance of the contract, or law or regulation, safeguards for safety and protection. Client's responsibility includes, but is not limited to, liability for OSHA regulations, citations, and fines. Client shall also comply with all requirements of the National Labor Relations Act and the National Labor Relations Board, and assumes all liability for wrongful termination/employment practices, compliance with the Fair Labor Standards Act, and proper reporting of all hours worked. ***When the accurate and complete time records of any worker provided hereunder are not timely furnished to Stellar Staffing, said worker is the sole employee of Client for the time not properly reported to Stellar Staffing.*** Failure to report time records for temporary staffing employees, will void insurance coverage for the time unreported.

Assigned Employees

Upon the execution of this Agreement, Stellar Staffing must provide the employment application and applicable documentation for each Assigned Employee. Upon the hiring of a temporary Employee by Stellar Staffing, Stellar Staffing shall fax to the client the Assigned Employee's employment application.

Client agrees to provide a job for any employee assigned to Client company that is injured and receives a light duty or full duty release, and the employee returns to Client company's payroll.



Stellar Staffing shall have the right to audit and review all documents regarding Assigned Employees' classification, job title, rate, benefits, position, etc. at any time, upon verbal or written request. Failure to comply with this shall constitute a material breach and shall be grounds for immediate termination of this Agreement.

Client shall, on Stellar Staffing's request: make available same or fully equivalent employment opportunities to any Assigned Employee eligible for reinstatement following leave under the Family & Medical Leave Act or any comparable law; and, provide reasonable accommodation under the Americans with Disabilities Act or any comparable law. Client shall bear the sole cost of providing leave, job reinstatement or a reasonable accommodation.

In order for Stellar Staffing to comply with its notice obligations under 29 U.S.C.A. 2102, Client shall give Stellar Staffing not less than ninety (90) days advance written notice of: **(1) any temporary or permanent shutdown of any facility, site of employment or employment unit; or (2) any reduction in force resulting in the layoff of one-third or more of the persons (counting Client employees, Assigned Employees or both) working at any single facility, site of employment or employment unit of Client.**

On the termination of this Agreement by any party for any reason, in accordance with Texas Labor Code 406.005(d), Stellar Staffing shall, within 15 days, notify each Assigned Employee that this Agreement has been terminated, and that their employment relationship with Stellar Staffing has been terminated. In addition, Stellar Staffing shall have the right to, but not the obligation to, notify the Assigned Employees that their employment relationship with Stellar Staffing has been terminated.

Breach or Default

Client understands and acknowledges that should Client default on any payment of fees described in this Agreement, that Stellar Staffing shall have the right to immediately terminate the Agreement. Termination shall be effective upon written notice to Client.

Furthermore, should Client default on any payment or fee incurred under this Agreement, Stellar Staffing shall have the right to obtain a Judgment against Client for amount owed and shall obtain a security interest in all of Client's accounts, chattel paper, documents and instruments, general intangibles goods, consumer foods, equipment, farm products and inventory in accordance with the attached Guaranty. This security interest shall apply to all such assets of Client whether now owned, or hereafter acquired. Such a Judgment and security interest would be obtained in order to secure the full payment of but not limited to, Client's obligations to Stellar Staffing under this Agreement, under any renewals, modifications or extension of this Agreement.

Stellar Staffing shall have all rights and remedies granted a secured party under the Uniform Commercial Code as adopted in Texas.

Chapter 91 of Texas Labor Code- Responsibilities of Parties

The responsibilities regarding the Staff employee Stellar Staffing and Client as provided by this Agreement and as required by Chapter 91 of the Texas Labor Code. Stellar Staffing and Client share: (1) *a right of direction and control over Assigned Employees*; (2) *the right to hire, fire, discipline and reassign Assigned Employees*; (3) *the right of direction and control over the adoption of employment and safety policies and the management of Workers' Compensation claims, claims filings and related procedures.*

Client retains the exclusive right to direct and control the production of all goods or products and the performance of all services produced by Client's business. Client is solely responsible for the quality, adequacy and safety of all goods produced or services performed by the Assigned Employees on Client's behalf.

Worker's Compensation and Other Insurance

As required by statute or in accordance with the agreement of services to be provided, Stellar Staffing shall maintain a policy providing Workers' Compensation benefits. Such notification shall comply with the requirements listed under the section labeled "Assigned Employees" of this Agreement.

Client shall maintain commercial general liability insurance coverage, including without limitation, products and completed operations coverage, independent contractors protective coverage, contractual liability coverage for this agreement, and broad form property damage, and including coverage for explosion, collapse, and underground property damage hazards applicable to all of Client's operations and job sites. Such insurance shall provide limits not less than one million dollars (\$1,000,000.00) per occurrence for injury, including contractual liability and advertising injury and two million dollars (\$2,000,000.00) general aggregate for bodily injury, including death resulting there from, personal injury and property damage. Such policy shall provide coverage for the acts or omissions of the Assigned Employees and/or any agents of Stellar Staffing. Client shall provide Stellar Staffing with a Certificate of Liability, verifying coverage.

Client shall maintain business automobile insurance, including hired, owned and non-owned automobiles, against bodily injury, including death resulting there from, with limits of one million dollars (\$1,000,000.00) per occurrence combined single limit. Such policy shall provide coverage applicable to the use or operation of vehicles by the Assigned Employees.



Client shall maintain a policy of Workers' Compensation insurance for all employees of Client, other than Temporary Assigned Employees. Such policy shall provide coverage sufficient to satisfy the minimum requirements in the state in which the employees are working.

With respect to each policy of insurance required in this Agreement, the following shall be completed prior to the execution of this Agreement. Client shall **(1) Endorse all of its policies of insurance to waive subrogation rights against Stellar Staffing;**; (2) Name Stellar Staffing and its agents as an additional insured on all policies other than Clients Workers' Compensation insurance policy; (3) Provide Stellar Staffing 30 (thirty) days advance written notice of cancellation, lapse, material change or reduction in coverage; (4) Client shall maintain all insurance required by this Agreement continuously and without lapse or break in coverage. Client's failure to continuously maintain all required insurance shall constitute a material breach of this Agreement and be grounds for immediate termination of this Agreement by Stellar Staffing.

Safety

Client shall be solely responsible for maintaining safe work environments for Assigned Employees, in full compliance with all Occupational Safety & Health Act and all Federal and/or State regulations. Client, at its sole expense, shall perform any necessary safety inspections and/or modifications, as well as furnish to the Assigned Employees personal protective equipment, safety equipment and training required under any local, state or federal law, regulation or ordinance. Client shall implement all reasonable safety recommendations necessary to comply with all applicable state and federal regulations and to comply with industry standards. Client shall promptly comply with all requirements or directives of OSHA, any local, state or federal agency or Stellar Staffing's insurance carriers. Client agrees that it shall be solely responsible for any OSHA citations or violations, including any attributable to the acts or omissions of Assigned Employees. Client shall immediately notify Stellar Staffing of any unsafe conditions at any location where Assigned Employees are performing services on behalf of Client.

Stellar Staffing and/or its insurers shall have the right, but not the duty, to inspect the premises of Client or any job site where Assigned Employees are employed, and retain the use of safety consultants and/or industrial hygienists in connection with such inspections, and to make recommendations pertaining to job safety. Such inspections and recommendations provided by Stellar Staffing are solely for the purpose of assisting Client in connection with safety matters and shall not relieve Client of its responsibilities for safety matters provided for herein. Stellar Staffing shall not be obligated to prepare site or job specific safety plans or to perform regular safety inspections at sites where client has placed Assigned Employees. Stellar Staffing's safety obligations are limited to general and global safety requirements.



CLIENT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS STELLAR STAFFING, ITS AGENTS AND ITS INSURERS FOR ANY EXPENSES AND/OR DAMAGES INCURRED, INCLUDING BUT NOT LIMITED TO WORKER'S COMPENSATION BENEFITS, DAMAGES OR FINES AND PUNITIVE DAMAGES WHICH ARE THE RESULT OF CLIENT'S FAILURE TO IMPLEMENT ANY REASONABLE SAFETY SUGGESTIONS PROVIDED BY STELLAR STAFFING AND/OR ITS INSURER.

Stellar Staffing reserves the right to fully and independently inspect any and all incidents, accidents and/or injuries which involve either directly or peripherally any Assigned Employees. Any documents and/or reports generated as a result of such an investigation will be generated in anticipation of litigation and shall, therefore, be privileged information belonging exclusively to Stellar Staffing.

Additional Provisions

The headings in this Agreement are intended for convenience or reference and shall not affect its interpretation.

The provisions of this Agreement shall be binding upon the parties and their respective agents, employees, directors, officers, shareholders, heirs, executors, administrators, legal representatives, successors and assigns. Assigned Employees are not third party beneficiaries of this Agreement and shall have no right to enforce this Agreement. The failure of either party to insist upon strict performance of any of the provisions of this Agreement shall in no way constitute a waiver of any of its rights as set forth herein, at law or equity, or a waiver by either party of any other provision or subsequent default by the other in the performance of or compliance with any of the terms and conditions set forth herein.

Each section of this Agreement is sever-able and should any section of this Agreement, or any portion thereof be held invalid, illegal or unenforceable, the remainder of this Agreement shall remain valid, legal and enforceable.

If legal actions or other proceedings are brought for the enforcement of this Agreement or because of an alleged breach, default or misrepresentation in connection with the provisions hereof the prevailing party shall be entitled to recover its reasonable and necessary attorney's fees and other costs incurred in such action or proceeding from the unsuccessful party, in addition to any other relief to which it may be entitled.

By entering into this Agreement, Client expressly warrants that it is presently not in bankruptcy and neither has any intention of filing for bankruptcy protection nor any reason to believe that it

will need to seek bankruptcy protection. This agreement shall be interpreted so as to comply with all applicable laws and shall be amended, if necessary as required by any such governmental agency or bankruptcy court.

Regulation and Jurisdiction

This Agreement shall be binding, governed by, and construed and enforced under the laws of Texas and of the United States, excluding those laws of Texas related to conflict of laws.

The parties hereby agree that venue for any dispute between the parties, arising out of this Agreement shall be Tyler County, Texas.

To be effective, any notice given under this Agreement must be in writing and shall be effective when received. Notice shall be given to the address given in this Agreement.

This agreement may not be modified in any way except by a single written agreement signed by both parties. All Persons executing this agreement warrant that they are authorized to do so for their respective party. Please provide a copy of your Driver's License for identification purposes only.

Executed this ____ day of _____, _____

Stellar Staffing

By: _____
Jimmy Crews
President

Signature: _____

Print Name: _____

Title: _____

PERSONAL GUARANTY

On this date, I _____, (person guaranteeing payment), in consideration for Stellar Staffing, entering into the attached Staff Leasing Agreement with _____, (hereinafter referred to as "Client"), have signed this Personal Guaranty. I further attest that I have a substantial interest in Client and in seeing that Stellar Staffing provides its services to Client.

By the signing of this document, I am personally and individually guaranteeing Client's performance of all terms and conditions contained in the attached Staff Leasing Agreement. This guarantee extends to and includes obligations or debts incurred by Client in the future as related to the attached Staff Leasing Agreement, including but not limited to, the payment of all fees, costs, charges and expenses incurred by Client, including attorney's fees and costs of collection.

I further understand and agree that this guarantee is unconditional and unlimited. I waive any notice of default, dishonor or acceleration. I understand and agree that I am obligated to fulfill this guarantee without regard to whether suit has been filed or a judgment has been obtained against Client.

The bankruptcy of Client will not operate to reduce or relieve any obligation under this Agreement. Part payment by Client or any other guarantor will not reduce my obligations under this Agreement. My obligations as Guaranty under this Agreement will not be reduced or waived by any settlement or release entered into with Client or any other guarantor.

By virtue of execution of this document and the attached Staff Leasing Agreement, Guarantor hereby grants Stellar Staffing a security interest in and to all of Guarantor's personal property including intangibles, accounts receivable, livestock, inventory, vehicles, goods, consumer goods and all other personal property of any kind whether now owned or hereafter acquired, as referred to in the section entitled "Breach or Default" of the attached Staff Leasing Agreement.

Any dispute between Stellar Staffing and me shall be resolved in accordance with the Laws of the State of Texas and the United States of America and proper venue for any dispute shall be Civil District Court, Tyler County, Texas.

Executed this _____ day of _____, _____

Signature

_____/_____/_____
Date

Printed Name

Initials _____

ADDENDUM

Return to Work Policy

Client Company agrees to provide a job for any employee assigned to Client Company that is injured and receives a light duty or full duty release, and the employee returns to Client Company's payroll.

_____ *Client Acknowledgment*

Claim Deductible

Client shall pay to Stellar Staffing a deductible of \$_____ per Worker's Compensation claim asserted by any Assigned Employee. Said deductible shall include any medical expense, income expense or any other expense incurred by Stellar Staffing in the investigation and defense of any Workers Compensation claim asserted by any Assigned Employee, including, but not limited to, attorney fees.

_____ *Client Acknowledgment*

Inconsistent Payrolls

There will be a \$100 administrative fee assessed to all payrolls returned for which "zeroed checks" must be produced. *If any particular employee does not have payroll, they do not have coverage.* Furthermore, if Client Company does not submit a payroll for more than 45 days, yet has not formally terminated this agreement in writing, Client Company assumes the responsibility for providing COBRA and similar state-law notices to affected workers.

_____ *Client Acknowledgment*

Lost, Stolen or Replacement Checks

In the event an employee's check is lost or stolen, a replacement check can be issued and added to the *next* invoice. A credit will not be applied until 60 days after the date of the lost/stolen/replacement check, and only if the check has not been cashed. A stop-payment charge of \$ _____ will be assessed.

_____ *Client Acknowledgment*