

AGREEMENT FOR CLIENT SERVICES

PARTIES:	BARRETT BUSINESS SERVICES, INC., ("BBSI") a Maryland Corporation, 3450 Broad Street, Suite 102 San Luis Obispo, CA 93401
	Scott Brandon
	dba Scott Brandon Lathing
	6025 Champagne Lane
	Paso Robles, CA 93446-6322

("Client")

IT IS HEREBY AGREED:

1. SCOPE OF AGREEMENT.

BBSI hereby agrees to provide the services set forth herein for Client Employees (hereinafter "Employee" or "Employees") whose job classifications are set forth on Fee Schedule "1," and those persons identified on Schedule "13," Part A, who are designated by Client and BBSI as being subject to the terms of this Agreement for Client Services ("Agreement"). It is expressly understood and agreed that an Employee will not be covered by the terms of this Agreement (and will not be covered for payroll, workers' compensation, or any other purpose) unless and until BBSI has received from Client copies of the Employee's fully and accurately completed new hire paperwork as designated by BBSI from time to time. New hire paperwork includes, without limitation, documentation of the Employee's authorization to work in the United States, MPN (medical provider network)-related paperwork, information necessary for the processing of payroll, and all other employment paperwork obtained by Client from Employee. Employees will not be covered retroactively by this Agreement, but only prospectively following receipt by BBSI of all required new hire paperwork.

BBSI shall be responsible for the administration of payroll matters with respect to the Employees, the timely payment of wages, and the withholding and timely payment of all applicable federal, state, and local taxes required as a result of BBSI's payment of Employee wages, all predicated upon Client's timely provision of accurate records of time worked, payroll data, and payment of fees and fully and accurately completed new hire paperwork.

2. BBSI'S RESPONSIBILITIES AND DUTIES.

BBSI will process payroll and provide workers' compensation coverage to Client's employees as described in this agreement. BBSI may also provide certain administrative services related to client's sponsored benefit plans. BBSI shall be in

compliance with all federal, state, and local laws governing the reporting and payment of federal and state payroll taxes on wages paid under this Agreement. Subject to the terms, conditions, and exceptions, as hereinafter set forth in this Agreement, BBSI shall be in compliance with the following laws and regulations in connection with the Employees: (i) federal income tax withholding provisions of the Internal Revenue Code (IRC); (ii) state and/or local income tax withholding provisions, if applicable; (iii) Federal Insurance Contributions Act (FICA); (iv) Federal Unemployment Tax Act (FUTA); (v) applicable state and federal unemployment provisions; (vi) Consolidated Omnibus Budget Reconciliation Act (COBRA), as it relates to group health plans sponsored solely by BBSI; (vii) Consumer Credit Protection Act, Title III, and all antigarnishment discrimination laws; (viii) BBSI's health insurance coverage sponsored solely by BBSI, IRC '125 cafeteria plan and IRC '401(k) retirement plan; and (ix) state workers' compensation laws, including providing workers' compensation insurance or self-insurance, completing and filing all required reports, administering and payment of workers' claims. BBSI hereby agrees to indemnify and hold Client harmless from state workers' compensation premium costs and state workers' compensation claims for Employees, for the workers' compensation coverage provided by BBSI, as required by this Section 2. Federal workers' compensation laws, including, without limitation, the Longshore and Harbor Workers' Compensation Act and the Jones Act compliance shall be the responsibility of Client, unless set forth in a separate written agreement. BBSI does not have the right to hire, fire, discipline, assign, direct, or control the Client's employees.

Client understands and acknowledges that BBSI is not engaged in the practice of law, accounting, or any other profession requiring a state or federal license. While BBSI will act as a resource and provide guidance to Client in furtherance of its responsibilities under this Agreement, such guidance is not to be construed as legal or other professional advice. Client is responsible for obtaining any such advice from appropriate professionals at its own discretion and expense. BBSI is not responsible for decisions made by Client in the operation of its business.

3. CLIENT'S RESPONSIBILITIES AND DUTIES.

It is understood and agreed that client is the employer of the employees and that BBSI is not the employer or joint employer of the employees. BBSI engages in a co-employment relationship only for purposes of providing workers' compensation coverage under this agreement. Client is considered to be the sole employer in the application of any rule or law included within the scope of the Patient Protection and Affordable Care Act of 2010 (PPACA) and retains the right to pursue any and all remedies available to it as an employer under the PPACA. Client shall comply with all federal, state, and local laws governing employment, including, but without limiting the generality of the foregoing, compliance with the following, all as amended: (i) the Occupational Health and Safety Act (OSHA); (ii) Fair Labor Standards Act; (iii) federal and state wage and hour laws; (iv) state workers' compensation law as an employer; (v) the Worker Adjustment and Retraining Notification Act (WARN Act); (vi) the Employee

Retirement Income Security Act of 1974 (ERISA), and compliance with all IRC Sections with respect to any employee benefit plan or plans sponsored by Client; (vii) COBRA as it relates to group health plans that are sponsored or co-sponsored by Client; (viii) the National Labor Relations Act and labor agreements; (ix) the Migrant and Seasonal Agricultural Worker Protection Act; (x) Immigration Reform and Control Act (IRCA); (xi) Title VII of the 1964 Civil Rights Act, the Age Discrimination in Employment Act and all other antidiscrimination and fair employment laws; (xii) the Americans With Disabilities Act (ADA); (xiii) the Family and Medical Leave Act of 1993, as amended (FMLA); (xiv) all job site posting and notification requirements for all of the foregoing; (xv) federal, state, and local laws and regulations related to government contracting, or any other aspect of employment relationship which is regulated (for qualification purposes only) including but not limited to affirmative action requirements; and (xvi) any other tax, fee, assessment or charge of any nature, including occupation, business, use, sales, retailer's, value added or excise tax, duty, custom, inspection, or testing fee, imposed now or in the future by any government authority on or measured by (1) any transaction between BBSI and Client, (2) any services provided by BBSI to Client, (3) the conduct of Client's business, or (4) the occupancy, domicile or location of Client, notwithstanding the basis of calculation of such charge or how collected, shall be paid by Client in addition to other amounts due under this Agreement. If BBSI is required to pay any such tax or fee, regardless of the basis of calculation, Client will reimburse BBSI in full.

Client acknowledges and understands that BBSI relies on Client to provide accurate, timely, and verifiable hours worked and other such information for the purposes of calculating accurate payroll and benefits. It is Client's responsibility to inform BBSI of any individual's job status as "exempt" or "nonexempt" under federal or state wage and hour laws and to be in compliance with all federal, state, and local wage and hour laws. Client shall maintain accurate records of the actual hours worked by Employees, including precise start and stop times, to the extent required by law.

Client shall be solely responsible for ensuring that Employees receive and take all legally required meal breaks and rest periods, and Client shall indemnify, defend, and hold BBSI harmless from claims by Employees claiming that they did not receive legally required meal breaks and rest periods.

All wages paid to Employees are to be paid through BBSI to ensure that all wages are appropriately reported. Client shall be responsible for administering, funding, and accurately determining eligibility for Employee paid perquisites, including but not limited to vacation, sick leave, other paid time off, profit sharing, deferred compensation, bonuses, severance payments, stock options/grants/warrants, commissions, and other incentive payments. Although said payments should be made through BBSI's payroll in order to ensure proper reporting and remittance of taxes, BBSI takes no responsibility for the administration or funding of said paid perquisite payments.

Client understands and acknowledges that new federal, state and local laws, ordinances and regulations, and amendments to existing laws, ordinances and

regulations, will be enacted from time to time, and that new interpretations of such laws, ordinances and regulations may be adopted by courts or regulatory agencies. Compliance with these new or amended laws, ordinances and regulations, and new interpretations of existing laws, ordinances and regulations, is the sole responsibility of Client.

Client understands and acknowledges that the scope of BBSI's services does not include responsibility for the health and safety conditions at the Client's worksite. Rather, the extent of BBSI's services, including any on-site trainings, are to provide the Client with the tools to make a safe work environment a priority. BBSI has no authority to ensure that any health and safety violations on the part of the Client are corrected.

Except for those obligations specifically accepted by BBSI in this Agreement, and as required by law to be maintained by BBSI in order for BBSI to perform its services hereunder, Client retains all rights and legal obligations as an employer and shall perform all duties required of an employer with respect to the Employees.

BBSI and Client agree that they have a joint and mutual interest in protecting the integrity and security of the personnel and other employment information generated by or pursuant to this Agreement. BBSI recognizes its obligation to safeguard personal information both in transit and at rest. To fulfill this obligation, BBSI has security provisions in place to secure electronic data transmissions sent to it by Client and to secure data maintained at BBSI. Data maintained at BBSI may include, but is not limited to, data located on desktops, laptops, databases, and on file servers. Client agrees to follow the available security provisions for electronic data transmissions, including maintaining user and password privacy. Client agrees to indemnify and hold BBSI harmless from any liability, expense or legal action, which may result from Client's failure to securely transmit sensitive information electronically to BBSI.

To the extent any unauthorized acquisition or access to personal information in BBSI's possession is attributable to a breach of the obligations under this Agreement by BBSI, BBSI shall cooperate with Client to the extent it is necessary for Client to comply with its statutory obligations relating to such breach under the applicable breach notification statute, which shall include the following: (1) convey information concerning the nature and scope of the unauthorized acquisition or access, the identity of the individuals affected by the unauthorized acquisition or access, the date of the incident, any other available information that the Client is required to include in notification to an affected individual under applicable law, such information to be provided at the time of any required notification or promptly thereafter as information becomes available; and (2) assist Client with preparing and distributing notifications to affected individuals and applicable government agencies, credit bureaus, and/or other required entities.

4. CLIENT SUPERVISION

Client will be solely responsible for recruiting, selecting, supervising, directing, and controlling Employees to the extent necessary for Client to safely and lawfully conduct Client's business. Client shall also be responsible for the verification of identity and employment eligibility of the Employees, including the accurate completion and maintenance of Forms I-9 on a timely basis and in compliance with federal regulations. Client is solely responsible for maintenance and retention of all employee records. Client shall be the sponsoring employer for purposes of immigration applications for Employees and Client is solely responsible for any costs related to such applications. Furthermore, Client shall fully comply with all state and federal laws related to the hiring and retention of Employees.

Client will advise Employees that the only vehicles authorized for use by Employees in connection with services performed for or on behalf of the Client under the terms of this Agreement are: automobiles, trucks, vans, and other authorized four wheel motor vehicles and that the use by Employees of motorcycles, scooters, mopeds, and other motor driven cycles are strictly prohibited. Client acknowledges and agrees that BBSI shall have no liability or obligation to Client, Employee, or any person for any injury or damage to an Employee or by an Employee or to others that may have occurred while an Employee used or was riding (driver or passenger) a motorcycle, scooter, moped, or other motor driven cycle in connection with services performed for or on behalf of the Client. Client shall defend, indemnify, and hold BBSI harmless from any damage, loss, or claim resulting from or arising out of an Employee's use (driver or passenger) of a motorcycle, scooter, moped, or other motor driven cycle in violation of this Section 4.

Except as allowed by compliance with Section 6 regarding insurance coverage, no Employees shall be permitted in or on the private aircraft of the Client in any capacity as an Employee, including as a pilot, passenger, or any other capacity or designation as an employee.

5. WORKERS' COMPENSATION INSURANCE; WORKPLACE HEALTH AND SAFETY.

Client agrees that, as defined under applicable state workers' compensation law, it shall do all acts necessary to permit BBSI to comply with all workers' compensation laws and related laws and to provide workers' compensation insurance benefits for the Employees through a qualified insurance writer or writers, or through self-insurance. Client shall (i) establish workers' compensation reporting procedures satisfactory to BBSI, which shall require Client to forward notice of injuries or claims for such injuries immediately to BBSI and the insurance carrier or administrator; (ii) cooperate in the workers' compensation insurance application process by providing to BBSI or to the selected insurance company all forms and applications, properly completed and executed and any and all other information required or requested by such insurance company during the application process and thereafter; (iii) cooperate in the

administration and processing of workers' compensation claims; (iv) provide modified or light duty work for injured Employees until the Employee is able to return to full duty and (v) complete and file all required reports with regard to all Employees covered under this Agreement. Client shall comply with all health and safety laws, regulations, ordinances, directives, and rules imposed by BBSI for insurance risk management purposes, controlling federal, state and local governments, and will immediately report all Employee accidents and injuries to BBSI that result in a job or duty modification or absence by any Employee. Client shall provide the Employees with adequate training, supervision, and instruction to meet the requirements of federal, state, and local laws. Client agrees to comply at its expense with any specific directives from BBSI for insurance risk management purposes or any government agency having jurisdiction over the workplace, health, and safety. Client shall provide a safe workplace for the Employees and Client shall provide and ensure use of all required personal protective equipment. BBSI and BBSI's insurance carriers or administrators shall have the right to inspect Client's premises to review Client's safety practices at the workplace. In no event shall the right to inspect the workplace or the exercise or nonexercise thereof diminish or affect the Client's obligations, including any of Client's indemnifications of BBSI contained herein, to provide a safe workplace for the Employees and its obligations to BBSI. Moreover, Client at all times retains sole control of safety at the workplace, and to the extent BBSI provides assistance regarding safety it is solely in the course of providing consulting services or conducting insurance risk management. Client agrees, at its sole expense, to engage in the interactive process with disabled employees and to make reasonable accommodation(s) that may be required by the ADA or any similar federal, state, or local requirements.

Client accepts all obligations and costs associated with compliance with the Family and Medical Leave Act (FMLA) and similar state and local laws, including but not limited to the cost of reinstating or finding replacement employment and the cost of continuing benefits during FMLA leave. Client agrees that it is the primary employer and that it will be the successor employer upon termination of this Agreement for purposes of FMLA compliance.

6. LIABILITY INSURANCE.

Client shall furnish and keep in full force and effect at all times during the term of this Agreement comprehensive general liability insurance in a responsible company with coverage for bodily injury, personal injury, property damage liability, and medical payment with a per occurrence and general aggregate limit of not less than \$1,000,000, which insurance coverage shall be on a primary and noncontributory basis. In the event an Employee is assigned to fill a job function requiring said Employee to operate a vehicle for Client, whether the vehicle is owned by the Client or the Employee or a third party, Client shall furnish, for vehicles owned or controlled by Client, and the Client shall cause the Employee or third party to furnish, for vehicles owned or controlled by Employee or a third party, vehicle liability insurance insuring against public liability for

bodily injury and property damage with a minimum combined single limit of \$1,000,000, which insurance coverage shall be on a primary and noncontributory basis. The vehicle liability insurance shall include uninsured motorist coverage and in states where "no-fault" laws apply, Personal Injury Protection (PIP) or equivalent coverage shall be required. Client shall provide BBSI with proof of insurance in advance of an Employee's use of a vehicle pursuant to this Agreement. BBSI shall be named as an additional insured on all of the above policies and the insurance carrier shall issue a Certificate of Insurance providing for not less than 30 days' advance notice of cancellation or material changes. Insurance may be in the form of an umbrella policy provided by the client or individual employee policies.

If the Client or an affiliate of Client uses or operates a private aircraft in connection with the business activities or operations of the Client, no Employee shall be permitted to be a pilot, passenger, or be engaged in any capacity as an employee in or on such private aircraft, unless and until Client has provided to BBSI proof of appropriate and adequate liability insurance coverage that insures any such Employee for bodily injury, plus property damage and names BBSI as an additional insured. The insurance carrier shall issue a certificate of insurance providing for not less than 30 days' advance notice of cancellation or material changes.

7. ADVANCEMENT OR REIMBURSEMENT OF EMPLOYEE EXPENSES.

At the express written request of Client, BBSI, on behalf of Client, will make allowances, advance funds, or reimburse Employees for expenditures made by Employees in connection with services performed for or on behalf of the Client.

BBSI and Client agree that Client shall maintain and administer an accountable plan for all advances, allowances, or reimbursements made to Employees. The Client's accountable plan shall be in compliance with all applicable laws, including, but not limited to, IRC Sections 62 and 274, as amended, and the Regulations thereunder. The accountable plan shall require that the advances, allowances, or reimbursements (i) have the necessary business connection; (ii) be substantiated by adequate records of sufficient evidence, and (iii) paid under the arrangement in excess of the expenses substantiated be returned by the Employee to the Client within a reasonable time. Any advances, allowances, or reimbursed expenses paid to the Employees are considered as made by Client and pursuant to Client's accountable plan. BBSI is Client's paying agent in connection with Client's accountable plan.

BBSI does not and shall not maintain an accountable plan for the Employees that are the subject of this Agreement.

If it is determined that all or a portion of an advance, allowance, or reimbursement does not satisfy the required standards of the Client's accountable plan, then the applicable portion not meeting such standards will be treated as a payment by the Client pursuant to a nonaccountable plan. Amounts treated as paid under a nonaccountable plan are included in the Employee's income and must be reported as

wages or other compensation on the Employee's W-2 and are subject to withholding and payment of employment taxes. It shall be the responsibility, obligation, and liability of Client to properly report, withhold, and pay all amounts that are treated as payments under a nonaccountable plan. BBSI shall not have any responsibility, obligation, or liability in connection with reporting or withholding any amounts that are determined to be made pursuant to a nonaccountable plan.

The allocation of responsibility set forth in this Section 7 represents a variance from the compliance, withholding, reporting, and payment responsibilities as outlined in Section 2 above. Client acknowledges the assumption of such responsibilities and liabilities and agrees to take all action necessary to satisfy such responsibilities and liabilities.

In the event there should be any claim, demand, audit, deficiency, notice of proposed adjustment, levy, allegation, suit, including claims for taxes, interest, and penalties, or any action whatsoever relating to advances, allowances, or reimbursements paid to Employees ("Tax Claims") against BBSI or Client by the Internal Revenue Service ("IRS"), any state or local government, or any other party, it shall be the sole and exclusive responsibility and liability of Client to satisfy, comply, and pay all amounts due as asserted in such Tax Claim. Client agrees to defend and indemnify BBSI and hold BBSI harmless from any and all Tax Claims relating to advances, allowances, and reimbursements paid to Employees.

8. CLIENT DISCLOSURES.

Client has made complete disclosure and will continue to disclose to BBSI throughout the term of this Agreement all facets of (i) any sort of government investigation, inquiry, lawsuit, or other adversary proceeding and the current status thereof; (ii) its previous and current employment relationships with the Employees, including, specifically, all benefits provided Employees, all employment agreements, all restrictive agreements, all noncompetition agreements, a complete and current description of all qualified and nonqualified employee benefit plans or agreements, a complete and accurate description of any collective bargaining agreements, labor contracts, negotiations with unions, any relationship defined under IRC ' 414(n), job positions, Employee classifications, employment, and personnel information, and (iii) the place of work, including plant name, address and all states to which each Employee travels or is assigned, prior to such travel or assignment. BBSI shall deliver a separate Schedule "31" for each state covered by this Agreement. In the event Client fails to timely notify BBSI of the Client's employment and assignment of any person to a place or state, BBSI may, in its sole discretion, in writing, and without limiting its ability to seek any other remedy, elect to retroactively process payroll and perform any other necessary administrative functions normally provided for employees of Client pursuant to this Agreement and may retroactively charge Client for all appropriate charges (including governmental penalties) as if previously agreed to by BBSI. BBSI may elect to process payroll for such a person and provide other consulting services of employment and assignment by Client. Client warrants that all statements and

disclosures made in connection with this Agreement are complete and without exception and includes the period covering the last six (6) years. There is no fact peculiar to the Client which the Client has not disclosed to BBSI in writing which adversely affects nor will adversely affect the Client's business, assets, profits, or the Employees covered by this Agreement. Client warrants that it has made such complete disclosure, and shall indemnify, defend, and hold BBSI harmless from any and all damage, costs, claims, expenses, or legal consequences arising from or caused by any inaccurate, incomplete, or incorrect disclosures.

9. PAYMENT OF BBSI FEES.

Client hereby agrees to pay BBSI a fee as determined by BBSI for services performed by BBSI and for all legally required employee costs attributable to an Employee, wages, payroll taxes, insurance and self-insurance costs, external and internal charges and assessments, and benefit costs incurred for or payable to all Employees. Said fee and the payment terms thereof are specified in the Fee Schedule "1" attached hereto, which is hereby made a part of this Agreement. Client's fee obligation to BBSI shall continue during normal periods of Employee absence for vacation, sick leave, legal holidays, and emergency situations. The fee shall be payable during the entire term of this Agreement, and any unpaid fees shall be immediately due upon termination of this Agreement. BBSI shall be entitled to any savings it is able to create or which may occur during the term of this Agreement without adjustment to BBSI's fees as provided for in Fee Schedule "1." Client recognizes that the failure to make payments when due will result in additional expense to BBSI. Client therefore agrees to pay a late charge in the amount of five percent (5%) of any delinquent payment to compensate BBSI for such additional expenses. In the event that any payment made by Client in the form of a check, draft, or order for the payment of money has been dishonored for lack of funds or credit to pay the same or because payment has been stopped, Client shall pay to BBSI, in addition to the amount of the dishonored payment and the aforementioned late charges, if applicable, a charge equal to the greater of (i) five percent (5%) of the amount of said dishonored payment, or (ii) \$500. The charges shall be assessed for each such default, shall be due and payable with such payment without notice or demand being required therefore. The imposition or collection of said charges from time to time shall not be in lieu of any other remedy of BBSI, and the failure to collect the same shall not constitute a waiver of BBSI's right to require such payment for past or future defaults nor BBSI's rights to declare a default of the entire Agreement. An unpaid balance will also be subject to a periodic charge of the lesser of one and one-half percent (1 1/2%) per calendar month or the maximum amount permissible by law, until paid. Time is of the essence in this Agreement. BBSI reserves the right to suspend or terminate all of its obligations and services due to Client under this Agreement until full payment has been made of any amount past due.

10. CLIENT DEPOSIT.

When required by BBSI and simultaneously with the execution of this Agreement, Client has deposited with and hereby grants to BBSI a security interest in the deposit described in Fee Schedule "1" for the performance by Client of all of the obligations and conditions required to be performed by Client under this Agreement. The deposit may be commingled with other funds of BBSI and shall bear no interest. In the event that Client does not make a payment which is due in accordance with the terms of this Agreement, BBSI shall have the option, without prejudice to any other remedy which BBSI may have by law or under this Agreement, to draw upon the deposit or so much thereof, as may be necessary to pay BBSI the sum then due from Client to BBSI. Within 24 hours from the time that BBSI draws against the deposit, Client shall restore the deposit to the original amount. In the event that the deposit is not restored to the original amount within said 24-hour period, BBSI may consider the failure to restore said deposit as a breach of this Agreement. In the event any bankruptcy, insolvency, reorganization, or other creditor-debtor proceeding shall be instituted by or against Client, its successors or assigns, the aforesaid deposit shall be first applied to the payment of any obligations or accounts due to BBSI from Client for the time prior to the institution of such proceedings. The deposit shall next be applied to those Client obligations owing to BBSI for obligations subsequent to the institution of such proceedings and the balance of the deposit may be applied to BBSI's direct cost and actual damages and reasonable attorneys fees arising from the said bankruptcy, or other creditor-debtor proceeding. In the event that Client shall fully and faithfully comply with all of the covenants and agreements contained in this Agreement and pay all of the obligations as they fall due and all other sums payable by Client to BBSI, the deposit shall be returned to Client within 60 days from the date of termination of this Agreement.

11. INDEMNIFICATION.

Client agrees to appear, defend, and indemnify BBSI and hold BBSI harmless from any claims of whatever kind or nature made by Employees, third parties, or anyone whomsoever resulting from any act, failure to act, conduct, or default of Employees or Client, including, specifically and without limiting the generality of the foregoing, any and all claims, wages, benefits, penalties, attorneys fees, or other charges or expenses that may result or arise from a Client default of any duties, obligations, or responsibilities of Client under this Agreement or any breach of any representation or warranty by Client. Client agrees that if any claims are made against BBSI by a person or such person's beneficiaries or anyone otherwise alleging to be entitled to recover damages or benefits from injuries, diseases, symptom complexes, or similar conditions arising out of and in the course of employment: (i) for any Employee who initiates a claim pursuant to workers' compensation laws or any other basis that was not a claim covered by workers' compensation insurance or workers' compensation self-insurance; (ii) for any employee of Client who was not an Employee subject to the terms of this Agreement as defined in this Agreement (including Sections 1 and 4 hereof) at the time of the injury; (iii) for any current or former Employee of Client who initiates an employment or similar action against BBSI; (iv) private contractors; or (v) for an injury to an Employee while Client is

in default of this Agreement, that Client will indemnify, defend, and hold BBSI harmless from such claim or claims. For the limited purpose of the indemnity and duty to defend BBSI contained in the foregoing sentence, Client expressly waives the exclusive remedy provision of the applicable state workers' compensation law, and any other provision of law restricting, limiting, or prohibiting indemnity or contribution. The Client's duty to defend includes the duty to pay reasonable attorney's fees incurred by BBSI in defending such claims, and the Client's duty to indemnify includes the duty to pay any award imposed by an administrative agency or judgment or settlement reached in any dispute or court action. Client shall defend, indemnify, and save BBSI harmless of all liability, loss, damage, claims, or other responsibility incurred by BBSI resulting from Client's failure to provide or maintain the insurance required by this Agreement. Client acknowledges that its business operations and activities, the legitimate performance of which and for which it has engaged the services of Employees, could expose third persons, who are not parties to this Agreement, to potential risk, which risk might entail liability to either Client or BBSI. Client specifically, without reservation, and without limitation on any previous or subsequent provision of this Agreement, agrees to indemnify, hold harmless, and defend BBSI for any such liability to third parties. Each party agrees to notify immediately the other of the assertion or possible assertion of any and all such claims as described above, and to cooperate with each other in the investigation and defense of said claims. With specific regard to this Section, time is of the essence. The obligations of this Section shall survive termination of this Agreement.

12. TERM OF AGREEMENT.

The term of the Agreement shall be for one (1) year and shall automatically renew for additional one (1) year periods. The Fee Schedule may be adjusted during the term of the Agreement, subject to either party's right to terminate on 30 days notice if a party does not agree to the adjusted Fee Schedule. Either party may terminate this Agreement at any time and for any reason upon 30 days' written notice.

This Agreement shall terminate effective immediately upon any default of Client, regardless of when notice is given. However, if Client is in default due to failure to timely pay fees or report payroll, at BBSI's election, the termination date shall be retroactive to the date for which services were last fully paid. As of the appropriate termination date, BBSI will be relieved of all employment related, tax withholding, tax reporting, tax depositing, and any other BBSI obligations under this Agreement with respect to the Employees. If a default is cured and BBSI elects to reaffirm the Agreement, Client shall pay a reinstatement fee of five percent (5%) of the most recent gross billing under this Agreement.

13. DEFAULT.

Default by Client is defined as: (i) failure of Client to pay the fees required by this Agreement, when due, and/or report payroll; (ii) Client's failure to comply within 30 days with any directive of BBSI, when such directive is issued or made necessary by (1) a federal, state, or local government body, department, or agency, (2) an insurance

carrier providing coverage to BBSI and/or its employees or insurance administrator, and/or (3) specific circumstances which currently or potentially affect BBSI, Client, or the Employees; (iii) direct payment of taxable wages by Client to the Employees for services contemplated by this Agreement, except for those persons that are not subject to the terms and conditions of this Agreement as described at Schedule "13," provided that such persons are not listed as an Employee on Schedule "13," Part A, and those persons who provide independent contractor services to Client; (iv) commission or omission of any act that usurps any right or obligation of BBSI; (v) violation by Client of any provision of this Agreement; (vi) any representation, warranty, or covenant made by the Client herein is determined to be inaccurate or untrue; (vii) if petition in Bankruptcy is filed by or against Client, or if Client shall have made an assignment for the benefit of creditors, shall have been voluntarily or involuntarily adjudicated bankrupt by any court of competent jurisdiction, or if a petition is filed for reorganization of Client, if a receiver shall have been appointed for all or a substantial part of Client's business, or if Client shall have permitted or suffered any attachment, levy, or execution to be made or levied against all or a substantial part of the property of Client, or if Client is dissolved, or in the event that BBSI shall deem itself insecure, or upon the nonpayment of taxes on property, or premiums on any insurance required hereunder, or upon any other default of warranty, or information of the Client pertaining to this Agreement is misleading; (viii) Client's decision to go out of business; (ix) Client's decision or actual action in ordering a "plant closing" or a "mass layoff" at any "facility" (with 50 or more full-time employees) at which Employees covered under this Agreement are working, as these terms are defined in the WARN Act and similar local or state laws (collectively "Plant Closing Laws") (Client hereby undertakes to inform BBSI immediately of any such action or decision constituting a "mass layoff" or "plant closure," whether or not yet implemented. Client hereby agrees to indemnify, defend and hold BBSI harmless from any and all liability for violation of the WARN Act. It is understood that Client shall be solely and exclusively responsible for all steps necessary to avoid or minimize, or to satisfy, liability under Plant Closing Laws); (x) Client's decision to close a facility at which any Employees covered by this Agreement are engaged in work, whether or not such closing constitutes a violation of the Plant Closing Laws; or (xi) Client's decision to lay off more than 25 percent of the work force at any facility at which Employees covered by this Agreement are engaged, unless Client has notified BBSI at least one (1) payroll period in advance of such decision.

Default by BBSI is defined as: (i) failure of BBSI to satisfy the payment of payroll wages and/or appropriate withholding obligations in connection with the payment of wages to the Employees; (ii) failure of BBSI to maintain workers' compensation insurance or workers' compensation self-insurance for the Employee; or (iii) BBSI's failure to cure any breach or obligation required of this Agreement within 30 days of written notice from Client.

14. COBRA.

BBSI will make COBRA continuing coverage available to eligible Employees and qualified beneficiaries only as part of BBSI's sponsored group health plan(s) subject to

COBRA or state continuing coverage obligations as required by such state statutes and regulations. In the event there is a qualifying event under ERISA ' 603 and IRC ' 4980B or state continuing coverage statutes, Client shall be responsible for notifying BBSI as provided in ERISA ' 606(a)(2) and IRC ' 4980B(f)(6)(B) or state continuing coverage statutes, and BBSI shall be responsible for providing any qualified beneficiary with notice of their COBRA continuing coverage rights as required by ERISA ' 606(a)(4) and IRC ' 4980B(f)(6)(D) or state continuing coverage statutes.

Notwithstanding the foregoing, even if BBSI is administering the group health plan, or assisting with administration, for group health plans subject to COBRA that are sponsored by Client, Client shall be solely and exclusively responsible and liable in connection with all notice requirements, providing COBRA continuing coverage, and all administration compliance and liability associated with such group health plan subject to COBRA or state continuing coverage statutes. Client shall also be solely responsible for providing such COBRA continuing coverage for Employees or qualified beneficiaries so as to avoid the excise tax under IRC § 4980B. [The definition of employee shall be determined without regard to the service requirement in IRC § 414(n) (2) and (4)]. If Client does not provide COBRA continuing coverage so as to avoid the excise tax under IRC § 4980B or any other claims, Client shall be liable for such tax and such other claims, in full.

In addition, Client agrees that upon termination or expiration of this Agreement, Client will immediately replace all group benefit plans offered by BBSI. Should Client at any time obtain any form of group employee benefit coverage from an insurance carrier, a professional employer organization, an association or otherwise, which will provide group health or life insurance coverage to any of the Employees, Client will assume full responsibility for the continuation of coverage under COBRA for the current COBRA participants in addition to any Employees who may elect COBRA coverage under BBSI's plans during the term of this Agreement, for the remainder of their COBRA eligibility period. Nothing in this provision shall be construed or interpreted as precluding or limiting BBSI's right to pursue damages in a court of law or equity, which arose as a result of Client's failure to obtain and provide insurance as set forth herein.

Client agrees to indemnify and hold BBSI harmless from any liability, expense, or tax which may result from Client's failure to notify BBSI of a qualifying event or failure to provide notice of COBRA continuing coverage or to provide the COBRA continuing coverage as provided in this Section 14.

15. EMPLOYEE INFORMATION.

BBSI and Client agree that they have a joint and mutual interest in the integrity of the personnel and other employment information generated by or pursuant to this Agreement for the Employees. Client agrees to undertake at its own expense all reasonable data integrity, verification, maintenance, and preservation procedures requested or directed by BBSI. At all times, Client and BBSI shall own jointly,

indivisibly, and nonseverally said information regarding the Employees. Client is solely responsible for the maintenance and retention for all employee documentation.

16. CHANGE OF LAW.

Notwithstanding any other provision in this Agreement to the contrary, in the event there should be a change in any law, rule, regulation, ordinance, or tax that increases the financial obligations or potential financial obligations of BBSI in carrying out the provisions of this Agreement, then BBSI shall be permitted to amend this Agreement to provide for a pass through of the cost of such financial obligation to Client. BBSI shall provide written notice of the amendment and unless Client shall object thereto, in writing, within 30 days of said notice, the amendment shall become part of this Agreement. If Client objects, BBSI or Client may terminate this Agreement, effective on the 30th day after notice of the amendment.

17. CLIENT RETIREMENT BENEFIT PLANS.

Upon completion of the execution of this Agreement between Client and BBSI, Client may apply to adopt into the BBSI sponsored multiple employer 401(k) plan. Client should seek advice from independent legal counsel prior to the adoption of the BBSI sponsored multiple employer 401(k) plan, with respect to any effects of such adoption.

If Client adopts the BBSI plan, Client acknowledges that it has reviewed the adoption agreement and plan for the BBSI plan and agrees to comply with all of the obligations and responsibilities set forth in the terms of said adoption agreement and plan.

If Client chooses to retain its retirement benefit plan, Client shall be solely and exclusively responsible and liable in connection with all requirements, compliance with all laws, including, but not limited to, ERISA, and all administration compliance and liability associated with such retirement plan even if BBSI is administering the retirement plan, or assisting with administration, or providing employer match contributions information. Client shall defend, indemnify, and hold harmless BBSI and its officers, directors, and employees from and against any and all claims, suits, actions, damages, liabilities, fines, taxes, penalties, losses, or interest, including reasonable legal fees, that may arise or result from Client's failure to comply with this provision of Section 17 of this Agreement.

Client shall bear its own expenses attendant to the compliance, administration, modification, amendment, termination, or freezing of its retirement benefit plan. Client shall defend, indemnify, and hold harmless BBSI and its officers, directors, and employees from and against any and all claims, suits, actions, damages, liabilities, fines, taxes, penalties, losses, or interest, including reasonable legal fees, that may arise or result from Client's failure to comply with Section 17 of this Agreement.

18. CLIENT COLLECTIVE BARGAINING AGREEMENTS.

Pursuant to this Agreement, Client has made a complete disclosure of all of its collective bargaining agreements, labor contracts, and negotiations with unions and their bargaining agents. Client warrants to BBSI and agrees to indemnify and hold BBSI harmless for any liability BBSI may incur due to Client's collective bargaining agreement with the union, if any. Specifically, however, Client and BBSI agree that both intend to avoid the incursion of any withdrawal liability for BBSI, as that term is defined under the Multiemployer Pension Plan Act. Accordingly, Client agrees to indemnify, defend, and hold BBSI harmless from any such potential liability, as well as any other liability, which might arise purely because of BBSI's role in providing payroll and other services under this agreement. It is understood and agreed that BBSI shall not be named or identified as an employer, joint employer or party to any collective bargaining agreement with any union or any agreement with any pension plan, health and welfare plan, retiree medical plan or any other trust fund or benefit plan provided by the terms of client's collective bargaining agreements.

19. WAIVER OF CONDITIONS.

Any of the conditions set forth in this Agreement may be waived, in whole or in part, by the party whom the condition benefits, at such party's sole option. Any such waiver shall be in writing, and no such waiver or failure to insist on strict compliance with any covenant, condition, or agreement herein shall operate as a waiver of, or estoppel with respect to any subsequent or other failure.

20. NOTICE.

Any notice, request, instruction, or other document or instrument required or permitted by this Agreement shall be in writing and shall be given to either BBSI or Client and shall be deemed to have been given on the date when such notice, request, instruction, or other document or instrument is personally delivered or 48 hours after deposited in the United States Mail, registered or certified, postage prepaid and addressed to the appropriate party at the address set forth on page 1 of this Agreement or to such other address as may be given by notice as provided herein.

21. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and inure to the benefit of BBSI and Client and their respective successors, heirs, devisees, transferees, and assigns.

22. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the state in which Client and BBSI agree, prior to the time of commencement of work, that each Employee is to be employed. Notwithstanding the foregoing, BBSI and Client agree that the state or federal law of any interested (or otherwise constitutionally

permissible) jurisdiction shall apply to any questioned provision of this Agreement, if such law would give effect to the provision.

23. CONSENT TO JURISDICTION; WAIVER OF IMMUNITIES.

Client and BBSI hereby irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in San Luis Obispo, California, in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement and irrevocably waive to the fullest extent permitted by law any objection to which they may now have to the laying of venue in any such action or proceeding in any such forum, and hereby further irrevocably waive any claim that any such forum is an inconvenient forum. The parties agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

24. ENTIRE AGREEMENT; AMENDMENT.

This Agreement and the collateral documents and instruments called for herein to consummate this transaction, comprise the entire agreement of the parties and may not be amended or modified, except by written agreement of the parties. No provision of the aforementioned agreement may be waived, except in writing, and only in the specific instance and for the specific purposes for which given.

25. SCHEDULES AND EXHIBITS.

The schedules and exhibits attached hereto and referred to herein are part of this Agreement for all purposes. The terms which are defined in this Agreement shall have the same meaning when used in the schedules hereto.

26. REMEDIES AND DAMAGES.

If any party defaults in the performance of any term, covenant, condition, or obligation under this Agreement, the nondefaulting party may pursue any and all remedies available to such party. The rights and remedies provided herein are cumulative and not exclusive of any right or remedy provided at law. Client expressly acknowledges that BBSI shall not be liable for Client's loss of business goodwill, profits or other consequential, special or incidental damages.

27. SEVERABILITY.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforcement of any such provision in any other jurisdiction. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

28. ATTORNEYS FEES.

In the event it is necessary for any party hereto to institute a proceeding in connection with this Agreement or breach thereof, the prevailing party in such a proceeding shall be entitled to reimbursement for its reasonable attorneys costs, expenses, attorneys fees incurred, or any other money charges, including fees incurred on any appeal or review. If the services of an attorney are required by any party to enforce a judgment rendered in connection with this Agreement, the judgment creditor shall be entitled to reasonable attorneys fees, costs and other expenses, and such fees, costs, and expenses shall be recoverable as a separate item. This provision shall be severable from all other provisions of this Agreement, shall survive any judgment, and shall not be deemed merged into the judgment.

29. GENDER.

In construing this instrument and whenever the context hereof so requires, the masculine gender includes the feminine and neuter and the singular includes the plural.

30. SAFETY INCENTIVE PLAN.

The Safety Incentive Plan is marked as Schedule "30." Upon execution of this Agreement, BBSI, by checking the appropriate box below, will indicate whether or not the Safety Incentive Plan will be available to the Client. If the Safety Incentive Plan is available, it shall be incorporated in and be made a part of this Agreement. If the Safety Incentive Plan is not available, it shall not be part of this Agreement and have no force or effect.

Safety Incentive Plan Available

Safety Incentive Plan Not Available

31. SCHEDULE 31 AMENDMENT.

This Agreement shall be superseded and controlled by the terms of one or more Schedule "31," including any terms of Schedule "31" that are inconsistent with this Agreement. Schedule "31" sets forth terms specific to each state to which this Agreement applies, and each Schedule "31," if more than one, shall apply to Employees employed in the state set forth on the individual Schedule "31."

32. PERSONAL GUARANTEE.

The party identified as Guarantor on the signature page of this Agreement, knows that BBSI would not perform services for Client unless Guarantor guarantees Client's performance. Guarantor has requested BBSI to enter into the Agreement with the Client. Guarantor has substantial interest in making sure that BBSI serves said Client. Guarantor guarantees the full performance, including payment of all sums due hereunder and the indemnities of this Agreement by the Client. This guarantee is absolute and without any condition. This guarantee includes, but is not limited to, performance of all obligations under this Agreement, and payment of all fees, attorneys fees and other money charges.

33. HEADINGS.

The paragraph and subparagraph headings used in this Agreement are for convenient reference only and are not intended to affect the meaning or construction of any provision of this Agreement.

34. AUDIT.

Client specifically grants BBSI the right to audit and/or review any and all of its records relating to the Employees and any other requirement of Client under this Agreement. Reasonable access to these records will be granted during normal business hours upon three (3) days' notice to Client by BBSI.

35. AUTHORIZATION.

BBSI and Client each represent and warrant to the other that this Agreement has been duly authorized, executed, and delivered on behalf of each such party and constitutes a valid and binding agreement of said parties.

36. BINDING EFFECT.

This Agreement shall not be binding until signed by BBSI's President or by BBSI's President's duly authorized representative.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year below each of their signatures.

BBSI:

Client:

Barrett Business Services, Inc.

By 
Signature

Name: Greg Vaughan
Print Name of Person Signing Agreement

Title: Vice President
Print Title of Person Signing Agreement

Date: 2/26/19
Date Person Signed Agreement

Scott Brandon

Print Client Name - Same as on Page 1

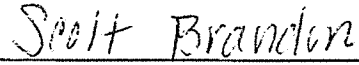
By 
Signature

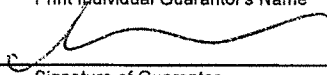
Name: Scott Brandon
Print Name of Person Signing Agreement

Title: Owner
Print Title of Person Signing Agreement

Date: 2/26/19
Date Person Signed Agreement

Guarantor:


Print Individual Guarantor's Name


Signature of Guarantor

2/26/19
Date Guarantor Signed Agreement

<u>2-16-19</u> <small>Effective date of co-employment</small>	<small>To Be Completed by BBSI Headquarters:</small>	<u>2-28-19</u> <small>First contract period end date</small>
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FEE SCHEDULE "1"

PAYMENT RATES AND PAYMENT TERMS

State	Workers' Compensation Code	Applicable Pay Types (e.g. All, All except X or specific pay types)	Fee (as a % of payroll)
CA	5443 - Lathing	All	22.69%
CA	5484 - Plastering <	All	27.81%
CA	5485 - Plastering >	All	23.21%

Payment Terms

Security deposit: \$ waived

BBSI's fee schedule is conditioned upon the promise of Client to pay all invoices billed at the time which the invoice is received. Unless otherwise approved by BBSI, payment is due via Electronic Funds Transfer (EFT) prior to the distribution of payroll. Any form of payment that is returned for insufficient funds may result in immediate cancellation of this Agreement. No representations or warranties are made with respect to the actual cost to BBSI of providing the services for which the fees are billed.

SCHEDULE "30"

Safety Incentive Plan

BBSI has implemented a Safety Incentive Plan that rewards safety, as evidenced through lower workers' compensation claims experience. To promote safety in the workplace, BBSI will provide an annual cash safety incentive of actual eligible payroll as outlined below:

State	Workers' Compensation Code	Eligible Safety Incentive Rate
CA	5443 - Lathing	1.88%
CA	5484 - Plastering <	3.04%
CA	5485 - Plastering >	2.00%

This incentive will bear a direct relationship to the successful reduction/maintenance of compensable workers' compensation injuries. The maximum incentive will be reduced on a dollar-for-dollar basis by annual claims costs incurred* to a minimum incentive of \$0.

*Actual cash paid (over the life of each claim) for time loss, medical treatment, legal and administrative fees, claims investigations and other direct or indirect costs.

After each completed one-year period, earned safety incentives will be paid within 60 days under the following terms and conditions:

- (1) Final payment for actual earned safety incentive is determined if no losses are incurred or following the closure of all claims incurred for the contract period.

Waiver of Right to Safety Incentive. Client hereby waives any and all rights to safety incentives as described above:

- (1) For any contract year in which either Client or BBSI terminate this Agreement prior to the end of such year.
- (2) If Client is in default of this Agreement.

In the event that additional claim expense is incurred for injuries occurring during a contract period for which a safety incentive payment has already been made, that additional claim expense shall be charged against the then current contract period's earned safety incentive. The amount charged to the current contract period's safety incentive will be limited to the safety incentive amount previously paid associated with the contract period in which the injury occurred.

SCHEDULE "31"

CALIFORNIA

This Addendum amends the operative Agreement for Client Services (the "Agreement") between Barrett Business Services, Inc. ("BBSI") and the Client identified in the Agreement. In the event of a conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects the Agreement remains in effect as written. The following state specific provisions apply only to clients and Covered Employees in California.

- a. Where rights are reserved in order to comply with laws requiring the reservation of such rights by a Professional Employer or PEO, the rights are reserved only to the extent required by such laws.
- b. Client agrees to cooperate with BBSI in completing anti-harassment training, to the extent required by California law, for all Covered Employee supervisors either live or online every two (2) years and within six (6) months of a Covered Employee being hired as a supervisor or promoted to a supervisor position.
- c. Client will not engage in operating a garment manufacturing operation or a car wash operation without BBSI's written consent.
- d. Client assumes all civil legal responsibility and civil liability under California Labor Code section 2810.3.
- e. Client is responsible for implementing and maintaining an Illness Injury and Prevention Program and for otherwise complying with all California mandated health and safety requirements, with or without consulting assistance from BBSI.
- f. Client is responsible for complying with posting and notice requirements under California law, including but not limited to the Wage Theft Protection Act notices, EDD mandated unemployment and disability insurance notices, expense reimbursement, and new hire workers' compensation insurance related notices.
- g. Client is responsible for ensuring compliance with California meal period, rest break, heat related break, seating, split shift, and minimum reporting time pay requirements, with or without consulting assistance from BBSI.
- h. Client will provide paid sick leave to Covered Employees to the full extent required by California state or local laws, with or without consulting assistance from BBSI.
- i. Client is solely responsible for all costs associated with "first aid" claims as defined by California law.
- j. Client agrees that BBSI is not a joint employer for purposes of liability pursuant to the California Wage Orders, Labor Code, and Government Code
- k. Client understands that it is responsible for registering with the California Employment Development Department (EDD) as an employer, obtaining an EDD employer account number, and satisfying other EDD requirements, including reporting independent contractor information. At the authorization and direction of client (whether through

Power of Attorney or some other means), BBSI will make appropriate tax deposits into Client's EDD account for Unemployment Insurance, Employment Training Tax, State Disability Insurance, and California Personal Income Tax, and will file required quarterly contribution returns and reports of wages with the EDD. In the event the EDD issues a refund for overpayment of taxes, Client understands that such refund is the property of BBSI, and Client will remit the refund to BBSI promptly upon receipt from the EDD. Client agrees that BBSI is not liable for errors or omissions made by the EDD in the handling or processing of tax deposits made by BBSI on behalf of Client.

- l. Client agrees to indemnify BBSI fully against any and all penalties, interest or other expenses associated with EDD's re-allocation of contributions made to Client's accounts. This includes instances where tax deposits made by BBSI are applied by EDD to debts, underpayments or other obligations incurred by Client prior to entering into this Agreement, including any related penalties or fines.
- m. The following provisions are applicable to Clients that are licensed by the California Contractors' State License Board:
 1. Notwithstanding any other provision of this Agreement, BBSI agrees to provide workers' compensation coverage through a certificate of self-insurance or through a qualified insurance carrier for all persons working for Client who may be deemed employees of BBSI or Client as defined by California Workers' Compensation laws.
 2. BBSI will notify the California Contractor's State License Board in writing and by e-mail within seven (7) days of the termination of the Agreement with Client.
- n. Client is solely responsible for I-9 compliance with respect to Client's existing employees on the effective date of the Agreement who become Employees. Client represents and warrants that it has a record of correctly completed I-9 forms for all Employees who were hired by Client prior to the effective date of the Agreement. With respect to Employees hired after the effective date, Client will comply with BBSI procedures and fulfill Client's obligations under the Agreement with respect to collecting and retaining I-9 forms from new hires in a manner that complies with both Federal and California law. Client is solely responsible for compliance with California law governing immigration enforcement agency access to Client's premises and all notices required by California law with respect to document inspections conducted by immigration enforcement agencies. Client will defend, indemnify, and hold harmless BBSI with respect to any violation of this provision by Client, pursuant to the indemnification requirements set forth in the Agreement.