

Employee Services Sharing Agreement

This Employee Services Sharing Agreement (“Agreement”) is effective as of March 1, 2021, by and between the Estuary Transit District a/k/a Nine Town Transit (“ETD”), and the Middletown Transit District aka Middletown Area Transit (“MAT”). ETD and MAT may collectively referred to as the “Parties”, and individually as a “Party”).

WHEREAS, ETD and MAT are parties to a Memorandum of Agreement dated as of July 23, 2021 (the “MOA”), which outlines the parties’ intent to prepare for and effect the equivalent of a merger of ETD and MAT;

WHEREAS, pursuant to the MOA and the anticipate effective merger the parties will transfer MAT’s transit operations into ETD with MAT’s member towns becoming members of ETD;

WHEREAS, ETD and MAT desire an efficient transition of operations with no impact on the public;

WHEREAS, in order to improve efficiencies of operations by ETD and MAT and in anticipation of the MAT member towns joining ETD, ETD and MAT mutually agree that it will assist if ETD and MAT share certain employees during the transition period as jointly determined by ETD and MAT and their respective board;

WHEREAS, at all times ETD and MAT desire to maintain separate books and records;

WHEREAS, at all times ETD and MAT desire to comply with Connecticut General Statutes to the extent such statutes apply to this Agreement;

NOW THEREFORE, in consideration of the mutual covenants stated in this Agreement, the parties agree as follows:

1. Term. The Agreement term shall be effective from the date set forth above and shall remain in place until terminated by either Party as set forth herein. Either party to this Agreement may terminate the Agreement and thereafter be relieved of further performance if the other party fails to materially perform any of the covenants or conditions contained herein or any accompanying addendum, provided written notice is provided to the other party a minimum of thirty (30) days in advance of said termination stating the reasons for the proposed termination and the party upon whom said notice was given fails to rectify the situation within the thirty (30) day notice period. Either Party may further terminate for convenience on ninety (90) days written notice.

2. Shared Services. ETD and MAT agree to share the services of such employees as the Parties may agree are necessary to effectuate the purpose of this Agreement. ETD and MAT further agree that they may retain employees who are anticipated shall provide services to both Parties. Any employees whose services shall be shared shall be so designated jointly by the Parties in writing by executing an addendum listing any employees who shall be providing

services to both ETD and MAT, and a schedule of expected shared services including time allocation, responsibilities and such other terms as may be agreed upon concerning such employee's performance of his/her duties. MAT and ETD agree to work cooperatively to set a mutually beneficial schedule so that any employees subject to this Agreement shall provide such services as both Parties may require. It is anticipated that any new employees retained shall be retained by ETD, and ETD shall maintain all applicable insurance and benefits for such employees including but not limited to workers compensation insurance and shall name MTD as an additional insured unless otherwise agreed at the time of the execution of an addendum.

3. Costs. The Parties shall bear such costs associated with any shared employee as the Parties may agree and determine at the time of the execution of an addendum covering such employees.

4. No Joint Employment; Continued Responsibility; Payment. MAT and ETD are not joint employers. MAT shall continue to employ its employees pursuant to MAT policies and procedures. ETD shall continue to employ its employees pursuant to ETD policies and procedures, including any employee handbook. Any shared employee shall continue to follow the policies and procedures of its employer. MAT shall continue to be responsible for payroll and benefits for its employees, including any overtime. ETD shall continue to be responsible for payroll and benefits for its employees, including any overtime. ETD shall be responsible for and shall reimburse any employee for expenses incurred while performing work for ETD. MAT shall be responsible for and shall reimburse any employee for expenses incurred while performing work for MAT.

5. Oversight. The Parties agree that the non-employing entity has the authority to direct and oversee the work performed by any shared employee of the other Party providing services pursuant to this Agreement. Any personnel issues that arise at any time during the term of this Agreement shall be immediately reported to and addressed by the employer, regardless of for which entity the work was performed. MAT and ETD shall cooperate in any investigation or other personnel related matter that may arise, with each party bearing its own costs.

6. Mutual Indemnification and Hold Harmless. To the fullest extent permitted by law, MAT shall defend, indemnify and hold harmless ETD and its officers, Board of Directors, employees, contractors, agents and consultants from any and all third party claims, suits or actions of any kind to the extent caused by the willful misconduct of MAT or its officers, Board of Directors, employees, contractors, agents and consultants. To the fullest extent permitted by law, ETD shall defend, indemnify and hold harmless MAT and its officers, Board of Directors, employees, contractors, agents and consultants from any and all third party claims, suits or actions of any kind to the extent caused by the willful misconduct of ETD or its officers, Board of Directors, employees, contractors, agents and consultants. Provided, however, the Parties further agree that should any claim arise of any sort in connection with any shared employee's employment while providing services for the other Party, whether that claim originates from such shared employee or a third party, the employing Party shall hold the other Party harmless, indemnify it and defend it (including payment of legal fees and costs in the event no insurance coverage provides the same) against any such claim.

7. Dispute Resolution. Should any dispute arise out of this Agreement, the Parties shall first attempt to resolve such dispute through a meeting (which may be held in-person, online or by telephone) between the Boards of MAT and ETD respectively or their designee. If thirty (30) days after such meeting the parties cannot resolve the dispute, the parties agree to meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. If such mediation is unsuccessful, the Parties shall resolve any dispute through binding arbitration through the American Arbitration Association. Each Party shall bear its own costs in connection with any such proceedings.

8. Amendments. This Agreement shall not be altered, changed, or amended except by formal written amendment duly executed by both parties hereto. The performance by either party of its obligations under this Agreement shall not operate in any way as a waiver of non-compliance or breach by the other party

9. Assignment. This Agreement and its contractual obligations shall not be assigned, in whole or part, by either party without prior notification and subsequent written consent of the other party.

10. No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, corporation or other entity other than the Parties any right, remedy or claim under or in respect of this Agreement or any provision hereof.

11. Severability. If any provision of this Agreement is found to be invalid, the remaining provisions shall remain in full force and effect.

12. Waiver of Breach. The waiver by either Party of any breach of any provision of this Agreement shall not be deemed a waiver of any subsequent breach by the other Party of the same or of different provisions.

13. Governing Law. This Agreement is governed by the laws of the State of Connecticut, without giving effect to the conflict of law provisions thereof.

14. Counterpart Execution; Electronic Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Parties had signed the same document. Such executions may be transmitted to the other Parties by facsimile or other electronic transmission and such facsimile or other electronic execution shall have the full force and effect of an original signature. All fully executed counterparts, whether original executions or facsimile executions, electronic executions or a combination of the foregoing, shall be construed together and shall constitute one and the same agreement.

IN WITNESS WHEREOF, each of the Parties has executed this Agreement by its duly authorized officer as of the day and year first written above.

ESTUARY TRANSIT DISTRICT

MIDDLETOWN TRANSIT DISTRICT

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date: